

Garcia emerges as congress loser

By Veronica Saruffati in Lima

PRESIDENT Alan Garcia of Peru suffered serious and potentially irrevocable damage to his authority in the party congress of Peru's ruling American Popular Revolutionary Alliance which ended on Tuesday.

Mr Luis Alva Castro's election by an overwhelming majority as secretary-general reflected discontent with Mr Garcia's administration and government mismanagement.

The two other contenders for secretary general, both tied to the President, together did not manage to equal the 495 votes given to Mr Alva Castro.

Mr Garcia submitted his resignation as party president during strident political infighting over the weekend, and he had not been renominated to the post as the party congress drew to a close on Tuesday.

Some party officials said his resignation had been rejected; others said the post had been eliminated. There have been no formal statements on the issue.

Mr Alva Castro, a 44-year-old Apra militant from Trujillo - the birthplace of Victor Raul Haya de la Torre, founder of Apra - is second vice-president of the republic and speaker of the House. He occupied both the premiership and the economy and finance portfolio in the first two years of Apra government which were characterised by record growth and spending.

As soon as Mr Garcia's star began to fall, Mr Alva Castro distanced himself from the President and the rivalry between Haya de la Torre's two disciples has become increasingly evident.

The next feather in Alva Castro's political cap may be the Apra presidential candidacy for the 1990 election.

At the closing ceremony of the congress, Mr Alva Castro said that "Apra is still the best political alternative for the fulfilment of the bread-with-freedom doctrine... we will continue to be the government of all Peruvians".

These are brave words when Peruvians are queuing up from dawn to buy their daily rationed bread.

Mr Alva Castro promises to introduce substantial structural reforms in the organisation of Apra and to put an end to the favouritism for which the President was widely criticised at the congress.

It is uncertain yet, however, how much support Mr Alva Castro has among the newly-elected national executive committee.

There is widespread criticism that Apra was so involved in its own party interests that no time was devoted to the congress to the discussion of the country's problems.

Takeover specialist faces fraud charges

By James Buchan in New York

MR Paul Bilzerian, a Florida-based corporate takeover specialist, became the latest victim of the US Justice Department's wide-ranging investigation into insider trading yesterday when he was indicted in New York on 12 counts of securities and other fraud.

The charges, each of which carries maximum jail terms of five years and hefty fines, allege that Mr Bilzerian routinely avoided statutory disclosure requirements and illegally "parked" key blocks of stock in four big takeover-related transactions in 1985 and 1986.

Mr Bilzerian, 38, who is chairman of the Singer military electronics group, yesterday denied the charges.

The charges appear to derive mostly from the evidence of Mr Boyd Jeffries, a Los Angeles stockbroker who turned state's evidence after being implicated by Ivan Boesky, the gaoled arbitrator, in all four of the deals, Mr Bilzerian is accused of using the Jeffries firm to "park" key blocks of stock in target companies so as to avoid regulatory disclosure requirements.

The indictment alleges that Mr Bilzerian used Jeffries to accumulate stock in Cluett Peabody and H.H. Robertson in 1985 and Hammermill and Arco in 1986, in all but the last case as a prelude to launching hostile takeover offers.

None of the bids were successful, but Mr Bilzerian and his associates reaped millions of dollars in profits on their secret stock holdings, including \$58m from Hammermill.

Meech Lake accord in hot water

David Owen and Robert Gibbons report on Canada's murky constitutional dispute

THE Meech Lake constitutional accord of Mr Brian Mulroney, the Canadian Prime Minister, was in trouble even before Mr Gary Filmon, the little-known Manitoba Premier, announced that he would stop pushing for the agreement to be ratified in the prairie province's legislature.

It was not, however, at the top of the domestic political agenda. Mr Filmon's decision was in response to Mr Robert Bourassa, Quebec's Liberal Premier, who announced that he would stop pushing for the accord to be ratified in the province's legislature.

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The accord, hammered out in April 1987 by Mr Mulroney and the then provincial premiers, brings Quebec willingly into the Canadian constitution. It recognises Canada's only predominantly French-speaking province as a "distinct society" and devolves some powers from Ottawa to the provinces.

possible impact on minority rights and other matters, have not yet ratified it.

In New Brunswick, premier Frank McKenna (whose Liberals hold all 58 seats in the provincial legislature following their October 1987 landslide) is apprehensive both about the decentralisation of power that

professed to support the deal. They were reluctant to put the question to the provincial legislature, however, since the combined forces of the opposition Liberals and New Democrats could have defeated the resolution, perhaps precipitating an election.

compromise solution clearly signalled by last week's supreme court verdict on Quebec's existing language legislation and invoking the override.

Hitch for Venezuela oil discount plan

By Joseph Mann in Caracas

LEGAL problems will delay a plan to raise \$1bn through discounting the future income of Venezuela's national oil company, Mr Hector Hurtado, the country's Finance Minister, said yesterday.

The \$1bn scheme is part of a programme designed to raise money to cover a large balance of payments deficit for 1988.

The Venezuelan government will allot \$3.5bn for merchandise imports in 1989, a reduction of 9 per cent from an estimated \$9.3bn this year, according to Mr Hurtado.

The Government, which leaves office early in February, is elaborating a foreign exchange budget for 1989 under difficult conditions. Lower

world prices for petroleum, Venezuela's main source of foreign exchange, has put heavy pressure on the Government's international currency reserves.

The next administration will need to make important adjustments in areas such as foreign debt service payments, exchange rates, domestic interest rates, price controls and other elements of domestic economic policy.

Mr Carlos Andres Perez, the President-elect, has said that Venezuela cannot continue to pay over half its export revenues to service the foreign debt and that he will ask international banks for easier terms.

The \$3.5bn budgeted for 1989 covers merchandise imports by the public and private sectors but does not service the nation's foreign debt, estimated at \$32bn. Venezuela's imports were \$8.8bn in 1987, down from a record \$13.6bn six years ago.

Mr Hurtado also said the Government had obtained new loans totalling \$3.5bn this year from foreign banks and credit agencies. The Government is trying to raise \$500m in a series of bonds being offered in London this week and sold \$300m in bonds on the Euro-market in two high-priced offerings earlier this year.

Ironically, the Government is obtaining new credits at the same time as its existing debt to international banks is being offered at a discount.

President-elect Perez is seeking a \$3bn loan to bolster foreign reserves, the El Nacional newspaper said yesterday. Benter reports from Caracas.

in terms of hindering the ratification of the accord therefore, Mr Filmon's obstructive move - which is seen by some as a bid to hitch his wagon to a rising western resentment of Quebec's "special treatment" in a bid to boost his poll ratings - is of dubious significance.

Certainly, Mr Bourassa must have realised that he was testing the limits of the other provinces' tolerance by rejecting a

Debtor countries seek G7 summit

By Janette Staubus in Buenos Aires

SEVEN Latin American debtor countries yesterday called for a summit with the main industrial nations to seek a cut in the region's huge debt burden.

The summit would follow a hard-hitting speech by President Raul Alfonsín to a specially convened legislative assembly.

Geo Cassino, whose appointment came as a surprise in Buenos Aires, will replace Gen José Dante Caridi who resigned late on Tuesday.

Gen Cassino, sixth in the army hierarchy, can take the post. Reports in Argentina say that eight other generals are expected to resign.

Gen Caridi's departure is the most recent in a string of demands made by army rebels to have been met by the Government, despite claims that there was no agreement with them.

President Alfonsín's surprise call for a meeting of the legislative assembly - which comprises the members of both houses of Congress, government ministers and the members of the Supreme Court - was a move towards recapturing the initiative from the army after weeks of hovering on the sidelines.

His dramatic speech, delivered in a grandiose setting, aimed to drive home the authority of the constitutional government. Only once before has the President addressed the legislative assembly. That was during the Easter Week uprising in April last year.

Alfonsín names surprise choice as army chief of staff

By Janette Staubus in Buenos Aires

GENERAL Francisco Cassino, head of Argentina's military institute, was named as the new army chief of staff yesterday.

The appointment followed a hard-hitting speech by President Raul Alfonsín to a specially convened legislative assembly.

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The theme of President Alfonsín's speech was that Argentines must construct "a new nation" in which the armed forces would play a clearly defined role within a constitutional framework. He stood firm against army demands for an amnesty for officers jailed for human rights crimes committed during the last military dictatorship of 1976-83.

He said Argentina was "not willing to tolerate a vindication of state terrorism. To do so would be to go against the principles of democratic government". The address was in sharp contrast to Saturday's speech by Mr Horacio Jaurena, the Defence Minister, in which he justified the "dirty war" and said that it had been "necessary".

Shortly after yesterday's speech, the President backed his fighting words with action. He ignored the rebels' choice for chief of staff, Gen Isidro Bonifacio Caceres. In choosing Gen Cassino, a strong supporter of the Government, President Alfonsín picked a man closer to Gen Caridi than to the rebels. Gen Cassino was a promoter of the *mano dura*, or hardline, response to the Easter Week and Moote Caseros uprising led by Col Aldo Rico.

Gen Cassino is in charge of military institutes - war colleges and army training - including Campo de Mayo, the infantry training school that was the scene of Col Mohamed Ali Seineldin's rebellion earlier this month.

Despite President Alfonsín's awakening from his sleepy leadership of recent weeks, few are reassured by the government's bluster. The President's choice of Gen Cassino is unlikely to satisfy the rebels.

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WORLD TRADE NEWS

France in drive to win defence orders from India

By K.K. Sharma in New Delhi

FRANCE is making a major bid to win defence contracts from India and has offered transfer of technology and manufacturing rights for warships, helicopters and electronics.

Talks on the offers have begun and could materialise by the time the French president, Mr Francois Mitterrand, visits India early in February. The offers were further discussed by Mr Jean-Pierre Chevènement, French Defence Minister, during a four-day visit to New Delhi this week.

During talks in New Delhi, Mr Chevènement offered French help in designing and developing a light combat aircraft (LCA) - an ambitious programme taken up by the

STC awarded \$200m Pacific cable order

By Terry Dodsworth

STC, the UK electronics and telecommunications group, has won a \$200m (£111m) contract to supply half the fibre optic submarine cable for a planned new telephone link between Japan and the West Coast of the US.

The contract follows a similar deal for a fibre optic cable across the Atlantic on which installation work began a few weeks ago. It brings STC's total order book to more than \$500m.

Both cables are part of the high-speed digital telecommunications network which Cable and Wireless, the international telephone network operator, is planning to develop between London, New York and Tokyo. This will be the first cable system of its kind not owned by the large public telephone companies which have run the international telecommunications system up to now.

Spanish industrialists spread their wings

Direct investment has reached an all-time high this year, Peter Bruce reports

VERY QUIETLY, and well camouflaged by the enormous inflow of foreign capital into Spain, Spanish industry is beginning to spread its wings and hunt out acquisitions in Europe.

The gradual liberalisation of regulations on investing abroad, combined with a new confidence among some of the country's industrialists and investment managers, has sent Spanish direct investment this year to an all-time high.

The purchase last week by the Spanish battery producer, Tudor, of 75 per cent of the second biggest West German producer, Hagen Batterie, for some Ptas 5.2bn (£28m) marks probably the most significant industrial move yet by a Spanish company into Europe since the country joined the European Community in 1986.

By the end of July, direct Spanish investment abroad - Ptas 90.7bn - had passed the Ptas 83.4bn recorded for the whole of last year. According to Spanish statistics, that direct investment only takes

account of cases where Spanish investors have taken more than 20 per cent of a foreign company.

A month later, Spanish Government statistics showed that direct investment abroad had reached Ptas 115bn. The Economics Ministry reckoned at the end of October that first-half direct investment, at Ptas 76.2bn, was more than double that of the first half of 1987. Compared with the inflow of some \$36bn (£20bn) of direct foreign investment into Spain in the last three years, the reverse Spanish effort is small, however.

Most of the bold new moves is going into the European Community. First-half 1988 figures suggest the EC accounted for nearly 60 per cent of direct foreign investment by Spaniards, compared to just 27 per cent in 1987, the year Spain joined the Community.

Then, the US accounted for 24 per cent, a figure that has dropped dramatically to just 4 per cent in the intervening three years.

Much of the new investment energy comes from the banks. Banco Santander recently bought a 5 per cent stake in Royal Bank of Scotland and it has made other acquisitions in Italy, Belgium and West Germany. Other banks, including Banco Hispano Americano, are

The purchase by the Spanish battery producer Tudor of 75 per cent of the West German Hagen Batterie marks probably the most significant industrial move by a Spanish company since 1986

fishings abroad as well, ahead of the opening of EC markets in 1992.

Tudor Battery is, in fact, owned by a big Spanish bank, Banco Espanol de Credito (Banesto) whose young chairman, Mr Mario Conde, firmly

believes that the only way for Spanish banks to expand abroad is to follow Spanish industry in the way British industry once led the way overseas for UK banks.

But few people would have expected much from Spanish industrialists themselves. They lack international experience, speak few foreign languages and are struggling to attract good managers while the financial sector offers much more attractive careers.

The arrival in Spain of big foreign investors such as the Kuwait Investment Office (KIO), probably dismissive of management attitudes that years of protection have bred in Spanish management, has helped spur new ideas.

KIO's affiliate, Torras Roetench, has recently bought control of a Belgian pulp producer, Cellulose des Ardennes, and is apparently looking for new targets in France and Portugal.

Home-grown companies are not being left behind, though. Cessela, a little-known private Spanish radar, avionics and

communications producer, spent Ptas 500m a few months ago to buy 40.6 per cent of the French high-technology group Giravions Dorand, which produces flight simulators and aircraft instrumentation.

Entrecañales, one of the country's most secretive and cash-rich construction companies, has spent money investing in the US retail business and Campofrio, the big processed meats group, and has just paid Ptas 300m for a stake in a ham-curing plant in Tarragona in France. The Spanish Cava (champagne) producer Freixenet has also been buying up production capacity in France.

For the moment, the numbers involved are small. But they are significant as a measure of a new willingness on the part of Spanish industrialists to try their luck outside of Spain and also as a measure of the realisation that, as 1992 and the opening of their domestic market approaches, the best method of defence may be attack.

Ontario to defy Ottawa on wine pricing

By David Owen in Toronto

THE Liberal government of Ontario, Canada's most powerful and populous province, is planning to defy Ottawa by failing to comply with agreements undertaken to phase out discriminatory pricing of European and US wine over seven to 10 years.

The decision follows an agreement between Canada and the EC earlier this week on a satisfactory timetable for

the phasing out of protection for local brands. The US-related provisions are contained in the US-Canada free trade agreement.

The province intends to pursue its own plan for eliminating protection of the local wine industry over 12 years. The move is thought likely to provoke court proceedings to test whether Ontario's proposed action is in breach of the constitution.

US actions anger Gatt members

By William Dullforce in Geneva

PUNITIVE US trade action against countries which fail to comply with US exporters' interests is arousing increasing disquiet among members of the General Agreement on Tariffs and Trade.

Three cases, in which the US has taken, or is about to take, what other countries regard as unilateral action, have been spotlighted in the Gatt council.

Brazil received almost unprecedented support from other countries, when it asked for a dispute panel to examine the 100 per cent duties imposed on some of its exports to the US in October. This step was taken in retaliation for what Washington alleges to be Brazil's failure to observe process patent rights of US pharmaceutical companies.

No less than 25 delegates, representing 39 countries, including 12 European Community states, supported Brazil's demand that Gatt should pass judgment.

The EC's request that the council examine the US threat to levy 100 per cent tariffs on

Japanese share in R-R engine programme

By Lynton McLain

ROLLS-ROYCE, the UK aero engine company, has signed an agreement with Ishikawajima-Harima Heavy Industries to share risks and revenues on the Rolls-Royce RB211-524 engine programme.

IHI will take a 5 per cent share of the programme and is the second Japanese engineering company to share the RB211-524 programme. Kawasaki Heavy Industries already has a 4 per cent share.

The RB211-524 series of engines is at the high-thrust sector of the aero engine market. They range from 58,000-67,500 lbs of thrust, with the capability to be developed to more than 75,000 lbs, for use on the largest four-engine Jumbo jet airliners and on twin-engine airliners for long-range over-water operation.

Rolls-Royce already has a link with the two Japanese heavy engineering companies through the Japan Aero Engine Corporation, which is a partner in International Aero Engines (IAE).

South Korea 'to boost EC links'

By Terry Dodsworth

SOUTH Korea plans to encourage joint ventures with companies in the European Community and to increase European imports in an effort to resolve trade frictions, Yonhap, the South Korean news agency, said, AP reports from Seoul.

The government plans to encourage domestic companies to increase joint investment in EC member-nations and to convert South Korean business branch offices into locally incorporated firms, Yonhap added.

Fifty contracts signed during the two-week show alone totalled \$265m, officials said.

Soviet contracts

Soviet exporters have wound up their first trade show in the US with \$300m (£166m)-worth of contracts, Renter reports from New York.

Gunmen shoot two policemen in S Africa

Gunmen shot two policemen in South Africa.

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UK NEWS

MPs query Lawson's interest rate policy

By Simon Holberton, Economics Staff

MR Nigel Lawson, the Chancellor of the Exchequer, is walking a tightrope in his conduct of the Government's economic policy, Mr Terence Higgins, chairman of the all-party House of Commons Treasury Committee said yesterday.

Mr Higgins, Conservative MP for Worthing, questioned whether the aim of using interest rates both to head down on inflation and help correct the trade deficit would work. An abrupt downturn in the economy could result in higher unemployment, while sterling could fall sharply and ignite inflation if there was a prolonged delay to the high interest rates.

He was presenting his committee's report on the Chancellor's Autumn Economic Statement, the annual outline of Government spending plans.

The Committee said that despite Mr Lawson's claims that the Government was committed to reducing inflation he had not been very successful in doing so. It said a consistent feature of his medium-term forecasts of the economy was that "3 per cent inflation always remains three years from being realised."

In a note to the committee, the Treasury said its model of the British economy suggested that the UK should produce a surplus in trade of goods and services when the Government had a budget surplus. The current behaviour of the private sector meant that this finding had to be overridden.

The Treasury said that an external deficit created by "exceptional private expenditure" would normally be temporary because of "various stabilising factors" which would tend to reduce spending.

In the Autumn Statement the Treasury said the UK would produce a current account deficit of £13bn this year but that it would narrow to £11bn in 1989. In written answers to the committee, it said that the £2bn improvement in trade would be made up by a £1bn gain in physical trade and a £1bn gain in invisible exports.

Statistics attacked, Page 10

Delta, Hawker Siddeley combine cable businesses

By Terry Dodsworth, Industrial Editor

DELTA and Hawker Siddeley, two of Britain's leading electrical cable manufacturers, are merging their power and general purpose cable businesses in a £200m joint venture aimed at competing more effectively in Europe.

Delta said yesterday that the new company, which has combined profits of about £23.4m and net assets of £75m, would be the largest UK group of its kind. It will have about a third of the £600m a year market in power and general purpose cables where BICC is the leading UK competitor.

Delta will have management control of the joint company, in which it will have a 64 per cent stake, equivalent to the proportion of net assets it is contributing. Hawker Siddeley will have an option to increase its 36 per cent shareholding to

49 per cent in 1992 by subscribing for additional shares on a profit-related basis.

There was speculation in London yesterday that the merger would lead to some rationalisation moves. The two constituent companies have broadly overlapping product ranges, with nine factories employing 2,500 workers between them scattered around Britain.

The companies said yesterday they would be able to achieve the most efficient use of the combined manufacturing facilities. "The scale of operation will also justify the investment in product and manufacturing technology required to support a competitive approach to the European market through the 1990s," they said.

The thrust of both compa-

nies' cables strategy in recent years had been to focus on low cost production.

Their move follows a series of expansionary transactions at BICC, which has an annual turnover of around £400m in the UK cable sector. BICC, which has around half its sales in the telecommunications cables business, where the two other companies are not present, has bought stakes this year in both CEGC of Spain and Cesteavi in Italy which will add about £300m of turnover in a full year.

The total European cables industry, including telecommunications activities, is estimated to be worth about £5bn, of which the UK has around £1.5bn. The dominant players include Alcatel in France, Pirelli in Italy, and AEG in West Germany.

John Edmonds to lead what will be second biggest UK union with 877,000 members

GMB, Apex unions vote for merger

By Charles Leadbeater, Labour Editor

GMB, the general union, and Apex, which represents office workers, are to merge and create the second largest UK trade union after members voted overwhelmingly in favour of the move.

The merged union, which will have 877,000 members, will be formed in March next year. It will be led by Mr John Edmonds, GMB general secretary.

He said that he planned further amalgamations to create a union with between 1.25m and 1.5m members by the middle of the next decade.

The merger will create a powerful union to the right of political centre in the labour movement. It is a crucial step in Mr Edmonds' plan to modernise the GMB's organisation to offer members a more flexible, individual service.

The economies of scale created by the merger will allow

the union to offer a wider range of benefits and financial, personal and legal services, Mr Edmonds said.

He said that the union planned to move away from the traditional flat-rate contributions system and offer workers a more flexible mix of subscription rates linked to differing types of service.

The merger will considerably strengthen the GMB's position in potentially important areas of union recruitment in the next decade.

Its 160,000-strong grouping of white collar, or office workers, to be called 'The Apex Partnership', will aim to recruit from office, clerical and other workers. The union also hopes to appeal to women by expanding services tailored for them and by pursuing equal opportunities policies in collective bargaining. It will also seek to ensure that women are ade-



Edmonds: crucial step

quately represented in policy making. About 310,000 of the union's members will be women.

The merger will also strengthen the GMB's position in competition over single-union agreements on greenfield sites. Mr Edmonds said the union could now represent every occupational grouping within companies ranging from

unskilled manual workers and skilled workers to technicians and white collar staff.

The gradual erosion of distinctions between the terms and conditions of blue collar, or manual staff, and white-collar workers would also strengthen the union, he said. The merger is a significant development in the continuing rationalisation of Britain's union structures. Merger talks between the 800,000-strong AEU engineering union, and the 360,000-strong BSEFU electricians union are likely to come to a head in the New Year, as the Transport and General Workers Union opens amalgamation talks with the National Union of Mineworkers.

This year ASTMS the white-collar union and Tass, the manufacturing union merged to form the 600,000-strong MSF.

Hong Kong transit chief for London

By Richard Donkin

THE British Government has turned to Hong Kong to find a new chief for London's bus and underground systems.

Mr Wilfred Newton, chairman of the Hong Kong Mass Transit Railway, is to take over as chairman of London Regional Transport in March for a five-year term.

He will succeed Sir Keith Bright, who resigned as chairman in November after the inquiry into the King's Cross Underground fire in which 31 people died. Dr Tony Ridley, who resigned as chairman of London Underground at the same time, was also formerly with the Hong Kong MTR.

At London Regional Transport, Mr Newton, 60, a former managing director and chief executive of T&N, the engineering group, will be responsible for ensuring that all 104 recommendations of the Panel report on the Kings Cross fire have been carried out. He inherits the broad problem of tackling congestion on the Underground, on which the number of passenger journeys has risen from 498m in 1982 to 732m in 1988.

The Transport Department said yesterday that Mr Newton's experience running the MTR under control of the Hong Kong Government was a prime factor in the appointment.

He faced similar problems in Hong Kong to those of London and was charged with guiding the system to sustained profitability in the face of rising debts.

One of his chief tasks was to oversee the development of the Island line in Hong Kong, the third and final leg of MTR's expansion.

He was also appointed to head the Hong Kong Futures Exchange after the crisis it faced after the stock markets crash in November last year.

In the UK, Mr Newton headed what was then Turner and Newall as the company began facing mounting compensation claims for asbestos-related diseases.

In 1983 he moved to take up the Hong Kong post. That followed earlier periods working for Mobil Oil in Japan during the 1960s.

Mr Newton's salary as head of LRT was not disclosed.

Northern shoppers lead a late Christmas rush

By James Buxton, Ian Hamilton Fazey, Anthony Moreton, Richard Tomkins and Maggie Urry

WITH three shopping days left to Christmas, Britain's retailers say that once again sales will have hit record levels in the crucial pre-Christmas trading period - barring a nationwide blizzard, that is.

Yet again Woolworth, the chain store, will sell enough wrapping paper to cover both sides of the Great Wall of China, and enough Christmas tree lights to stretch from London to New York. As usual John Lewis, the department store group, is bracing itself for a last-minute rush of "wild-eyed men in the perfumery department."

But there is distinct disappointment among several leading stores that business is not just that little bit brisker. Mr Geoffrey Matland Smith, chairman of Sear's, owner of Selfridges department store, Mappin and Webb jewellers, and the Dolcis to Freeman Hardy and Willis shoe chains, detects "a hesitancy in the air."

He reckons that the moves by Mr Nigel Lawson, the Chancellor of the Exchequer, by putting up interest rates, and thus mortgage payments and

the cost of credit, have hit consumers' confidence perhaps more, so far, than their pockets.

Many retailers argue that Christmas has been "late" this year. As Christmas Day falls on a Sunday, shoppers are leaving much present-buying until Christmas Eve. With a full six trading days in the final week, two more than in the week before Christmas last year, week-by-week comparisons have been thrown out. The John Lewis department stores weekly figures showed a late surge in sales, with the week to December 19 showing a record of over £34m of sales.

The slow start to Christmas had persuaded some retailers to start full-scale sales earlier than the traditional January. Others are offering lower prices on certain lines. However, this week is now very busy, shops say. Mr Richard Ross, joint managing director of Sock Shop, says: "We've never had to wait this late to hit targets." But he added that this week sales were "fantastic."

Boots the Chemist expects to take more than £100m in its shops this week for the first

time over. At Ratners, the group which has pioneered cut-price jewellery, Mr Gerald Ratner said "Christmas is absolutely tremendous."

Toy retailers appear to have seen no fall-off in sales. Mr David Burka, managing director of Toys R Us, the toy super-stores, said: "We do not comment on current trading, but we are very pleased."

Fashion retailers are less happy. Mr Ian Stewart of A Goldberg & Sons, the Glasgow-based fashion group, said: "Christmas is not up to expectations. There is not enough volume." He added that credit card sales have "dropped away substantially" as people begin to worry about their level of debt.

There has been a wide divergence between the level of sales in different parts of the country. For once the North of England and the Midlands appear to be faring better than the normally more prosperous South East. Mr Ratner admitted that "London and the South is worst, Scotland is not great, and the Midlands and North are best. Last Christmas it was the reverse."

The latest figures from John Lewis, for the week to December 19, show a great disparity between stores. While the group's central London stores, Peter Jones and John Lewis, showed sales gains of 2.9 per cent and 6.7 per cent respectively over the same week last year, sales at the George Henry Lee shop in Liverpool rose by 10.0 per cent, at Cole Brothers, in Sheffield, by 10.2 per cent and at Robert Sayle, in Cambridge, by 13.3 per cent.

Mr Richard Weir, director-general of the Retail Consortium, puts it down to later buying in the South East, and he believes that "in the South East it is not so much people not spending as spending later than elsewhere."

Stores argue that higher house prices, and consequently larger mortgages in the South East mean that people there are suffering a tighter squeeze on their disposable income from the rise in mortgage rates. There is also perhaps, a little less certainty about jobs, for example in the City of London financial district.

Meanwhile, in the North unemployment has been falling and the cost of living is lower, leaving people with more cash

in their pockets than a year ago. Mr Bill Pudney, a senior Marks and Spencer manager who is vice chairman of Manchester Chamber of Trade, says: "Christmas trade is also less volatile in the north because less well-off people have traditionally planned by saving up for it in Christmas clubs."

There has been a lack of tourists in London too. Laura Ashley the fashion and home furnishings group, says that the number of VAT refunds made to tourists has halved.

Late-night shopping evenings on Thursdays in many Northern cities have been turned into family outings, with pedestrian-only streets seeking with people, car parks jammed and what, in Liverpool, has been described as "pandemonium."

Mr Gordon Allanson, chairman of the Eldon Square Merchants' Association in Newcastle, said: "The multiples here are ahead of their national figures. Mondays have been as strong as Saturdays. People have been buying big items such as carpets, furniture and brown and white goods." Background, Page 7

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DECEMBER 22 1988

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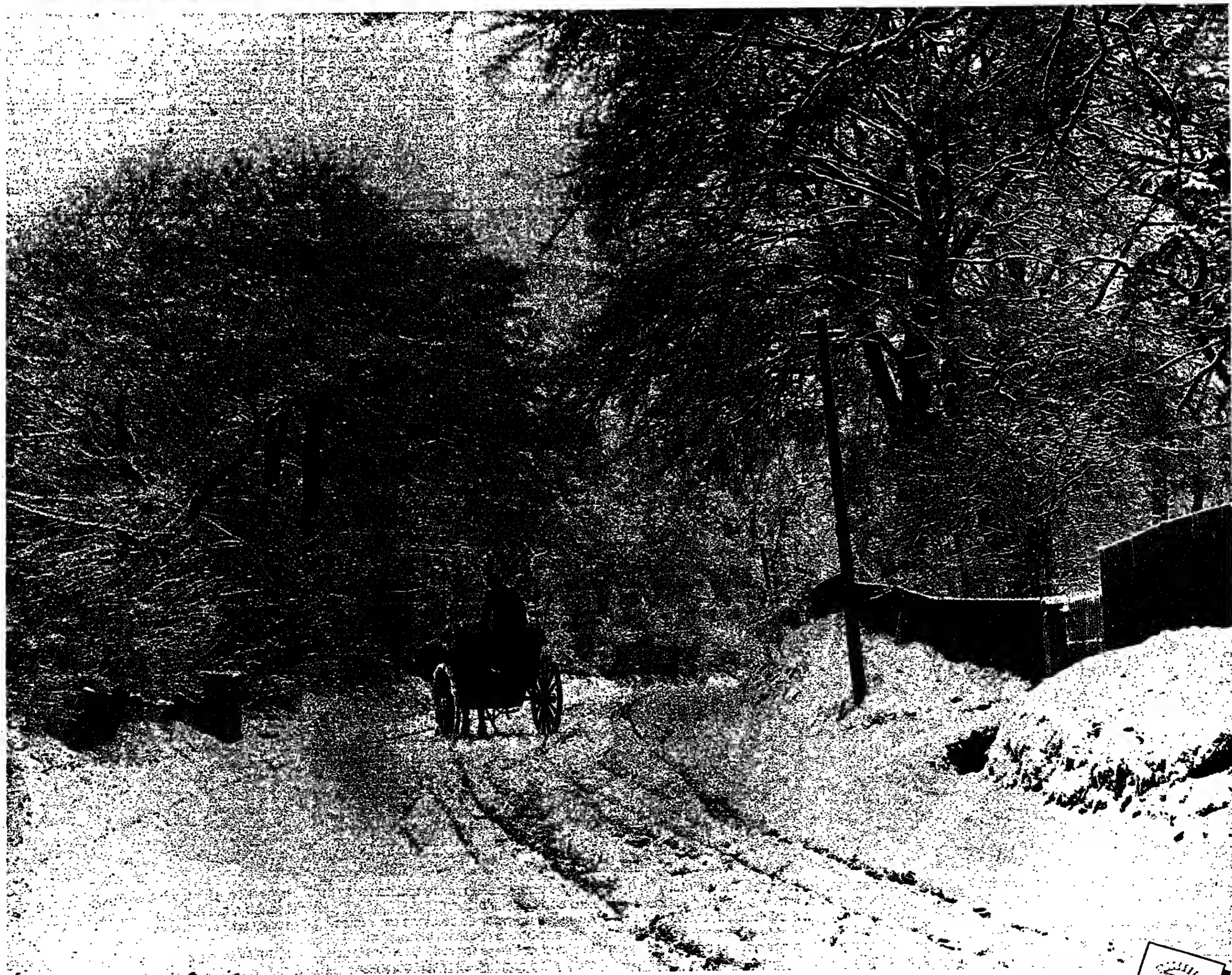
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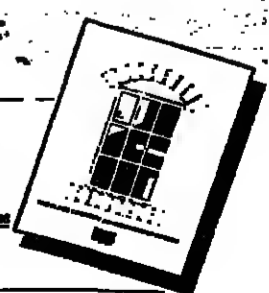
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UK NEWS

Investment advice group compulsorily wound up

By Raymond Hughes, Law Courts Correspondent

A SECURITIES and investment advice company accused of "preying on unsuspecting members of the public" was compulsorily wound up by the Court of Appeal yesterday.

The court allowed an appeal by the Department of Trade and Industry against the High Court's rejection in July last year of its petition to wind up Walter L. Jacob.

Lord Justice Nicholls said that winding-up was appropriate even though the company had ceased business just before the petition had been presented in April 1987.

"It would offend ordinary notions of what is just and equitable that, by ceasing to trade on becoming aware that the net is closing around it, a company which has misconducted itself on the securities market can thereby enable itself to remain in being despite its previous history," the judge said.

Moreover, he added, "in addition to being a fitting outcome for the company itself, such a course has the further benefit of spelling out to others that the court will not hesitate to wind up companies whose standards of dealing with the investing public are unacceptable."

Jacob had persuaded investors to buy shares in the US companies had been unacceptable.

"The more unusual and speculative the investment, the heavier is the burden resting on a vendor of shares to ensure that the contents and get-up of his sales literature are not misleading."

The judge described special situation reports by Walter L. Jacob on the US companies as "seriously misleading". The recommendations to buy the shares had been surrounded with "an aura of independent advice", whereas they should have been seen and presented as "a salesman's eulogy of the product he was trying to sell".

That defect, the judge added, had not been cured by a statement in small type at the foot of the last page of the reports that Walter L. Jacob and his officers "may from time to time make purchases and sales of these shares".

Lord Justice Nicholls described Walter L. Jacob's conduct in setting up his clients on the basis that they either took significantly less than their full debt, or waited indefinitely before being paid anything, as "altogether unreasonable and, indeed, oppressive".

Scotland 'slow at creating jobs'

By James Buxton, Scottish Correspondent

THE SCOTTISH economy is failing to produce jobs as quickly as it should, according to the Fraser of Allander Institute, Scotland's economic analysis centre.

While net employment in the UK rose by 1.3 per cent in the year to June 1988, net employment in Scotland increased by 0.1 per cent.

The institute, in its quarterly bulletin, says that growth of output in Scotland continues to be strong.

Manufacturing, especially among makers of capital goods in the west of Scotland, is doing particularly well.

Construction is now the most buoyant sector in Scotland as the effect of the house price boom in the rest of Britain comes north, stimulating a 41 per cent increase in

housing starts in the first nine months of this year.

Even so the industry still lags well behind construction in the UK as a whole and is beginning to suffer from shortages of skilled labour.

In other industrial sectors whisky is undergoing a revival with export volumes up for the fourth year running. Retailing and wholesaling are buoyant.

The institute points out, however, that in spite of the continuing fall in unemployment (now 10.8 per cent on a seasonally adjusted basis), employment may actually be falling. If allowance is made for part time jobs, while self-employment is growing only slowly.

The weak employment figures may be affected by lags in

the job creation process, since employers report that employment has either risen or is expected to rise.

The institute fears, however, that employers may think the economic recovery in Scotland, which began later than in other parts of Britain, will be relatively short-lived, and so are meeting increased demand with more overtime.

"The number of production jobs in Scotland fell by 3.2 per cent in the year to June 1988, as part of the long-term process whereby traditional low productivity manufacturing jobs are replaced by fewer high productivity jobs.

Service sector employment rose by only 1.2 per cent over the same period, although construction employment rose by 2.9 per cent.

Official statistics' unreliability attacked

By Simon Holberton, Economics Staff

THE STATE of Britain's official statistics was a matter of "grave concern", Mr Terence Higgins, chairman of the Commons Treasury and Civil Service Committee, said yesterday.

In the report of his committee on the Autumn Statement, the committee urges the Government to take swift action to improve the quality and reliability of official figures. "The Government should be prepared to dedicate more resources to improving them immediately," it says.

Mr Higgins said at a news conference that an increase in public spending on statistics would pay dividends in terms of economic management.

On the Committee's recommendation, the Government instituted an internal Treasury inquiry into official statistics which has been completed and is now circulating in Whitehall. A parallel inquiry was later set up by the Department of Trade and Industry.

The poor state of official figures was underlined on Monday when the Central Statistical Office was forced to publish a compromise estimate of gross domestic product growth in the third quarter of 1988.

It had to do this because, on its own admission, figures for gross national expenditure in the UK were unreliable.

The Treasury Committee said that there were some understandable reasons for the deterioration in the quality of the official figures. It said there had been a rise in the significance of smaller companies in the economy, while the abolition of exchange controls had made determining invisible exports more difficult.

None the less, the committee believed strongly that there was a need for a drastic improvement. "We hope that Sir Terence Burns' assertion about the recent official inquiry into the quality of official statistics that 'I do not expect to see any sudden and dramatic improvement in the statistics' is incorrect," the Committee said.

Exorcising the ghost of De Lorean

Our Belfast Correspondent on hopes for 1,000 car component jobs

EXECUTIVES of Northern Ireland's main economic development agencies are hoping that the decision announced yesterday by Montpet, the French car components maker, to establish a base in West Belfast will mark the start of a new era of industrial investment. The region is acknowledged as one of the most socially deprived in western Europe.



De Lorean closed in 1982; now Montpet is bringing fresh hope

The 1,000 jobs promised by the French car components company will not solve all the problems of a community where unemployment on some of the large housing estates is running at more than 80 per cent.

Given past experiences, no one is getting carried away with the notion that international companies will now be queuing up to take advantage of the wide range of grants available for new inward investment projects in the province.

Yet the Government's ability to secure this project for West Belfast in the face of fierce competition from a number of other European countries will impress the international business community.

Industrial development officials were undoubtedly involved in delicate discussions with Montpet at a time when the IRA was escalating its campaign of violence throughout the province.

Outrages such as the Lisburn bombing in which six British soldiers died in June and the Ballygowley bus bomb

which claimed another eight lives in August hardly attract the sort of worldwide media attention which assist efforts to promote Northern Ireland as an attractive business location.

Even Mr Tom King, Northern Ireland Secretary, admitted yesterday the effect of terrorism in discouraging potential investors from including Northern Ireland in their list of possible locations.

Montpet, however, concentrated on the factors in the province's favour - its excellent industrial relations record, availability of a top-quality workforce and its sophisticated transport network.

Most important, Industrial Development Board officials were able to offer the French a suitable factory site which can be quickly adapted for the company's production processes.

The supreme irony is that Montpet is taking over the Dummurray site formerly occupied by De Lorean, the American sports car company which

failed, owing British taxpayers a fortune.

The Government is still attempting to unravel the tangled financial web behind the De Lorean project in an attempt to retrieve the outstanding taxpayers' investment, estimated at more than \$50m.

Given the De Lorean debacle and the decision by several multinational companies to pull out of Northern Ireland over the last 10 years, it is hardly surprising that local people are cautious in their attitude to new investment.

While people emerging from the unemployment exchanges of West Belfast yesterday warmly welcomed the Montpet announcement, memories of the De Lorean disaster were still fresh.

Yet the Montpet investment, following on from the Government's recent announcement of an extra \$55m over the next three years for disadvantaged areas of Belfast, tends to lend support to

the Government's contention that it is making strenuous efforts to arrest the social decline in the west of the city.

The social and economic problems of West Belfast have been the subject of ministerial discussions and also topped the agenda at a meeting of the Anglo-Irish inter-governmental conference.

A new central government unit, headed by senior civil servants, is co-ordinating a development strategy.

And special government action teams, concentrating on specific areas, have supported 150 community initiatives in West Belfast.

Montpet made a lot of friends yesterday when it emphasised that one of its main reasons for coming to Northern Ireland was the quality of the workforce.

One of Montpet's next tasks will involve it in having to sift through thousands of applications for jobs from a community which has a lot more to smile about this Christmas.

CEGB expects to build another PWR at Sizewell

By David Green

SIZEWELL is likely to be chosen by the Central Electricity Generating Board as the proposed site for Britain's fourth pressurised water reactor.

Britain's first PWR is under construction at Sizewell, Suffolk, and plans have already been announced for two other nuclear power stations of the same type, at Hinkley Point in Somerset, and Wylfa on Anglesey.

Mr Brian George, the CEGB's PWR director, told the Hinkley Point C public inquiry

yesterday that the proposed fourth reactor was almost certainly going to be Sizewell C.

He said under cross-examination by Mr Stewart Boyle, for the Friends of the Earth environment group, that he had earmarked project managers for Wylfa and Sizewell C.

It was expected that work on Sizewell C would begin between three and four years after the start of Sizewell B, which started in March 1987.

The CEGB believes the four PWRs will be needed by the year 2000 to help meet demand.

Caution urged on easing of credit licensing rules

By David Barchard

PEOPLE most in need of protection from loan sharks could be placed at risk by government proposals to ease credit licensing requirements, the National Consumer Council warned yesterday.

The warning was contained in the NCC's formal reply to the Review of Consumer Credit Licensing currently being prepared by the Department of Trade and Industry.

The DTI is proposing to give greater powers to the Director-General of Fair Trading to police consumer credit busi-

ness, while cutting back on the need for firms to apply in advance for a licence to grant credit.

The NCC says that initial screening of licence applications under a system of universal credit screening is needed to ensure a minimum standard of fitness for traders.

It says it is particularly worried about proposals to remove credit brokers from licensing because more than a third of the licences currently revoked by the OFT for bad practice belong to brokers.



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MANAGEMENT: Marketing and Advertising

A & P puts own label back on the shelf

Philip Rawstone on a US retailer that sought UK help to reverse its strategy

In the eight years since he took over as chairman and chief executive of the US food retailer, Great Atlantic and Pacific Tea Company (A & P), James Wood, a one-time Co-op shelf-filler in the UK in Newcastle-upon-Tyne, has turned a \$42m loss into a \$100m profit.

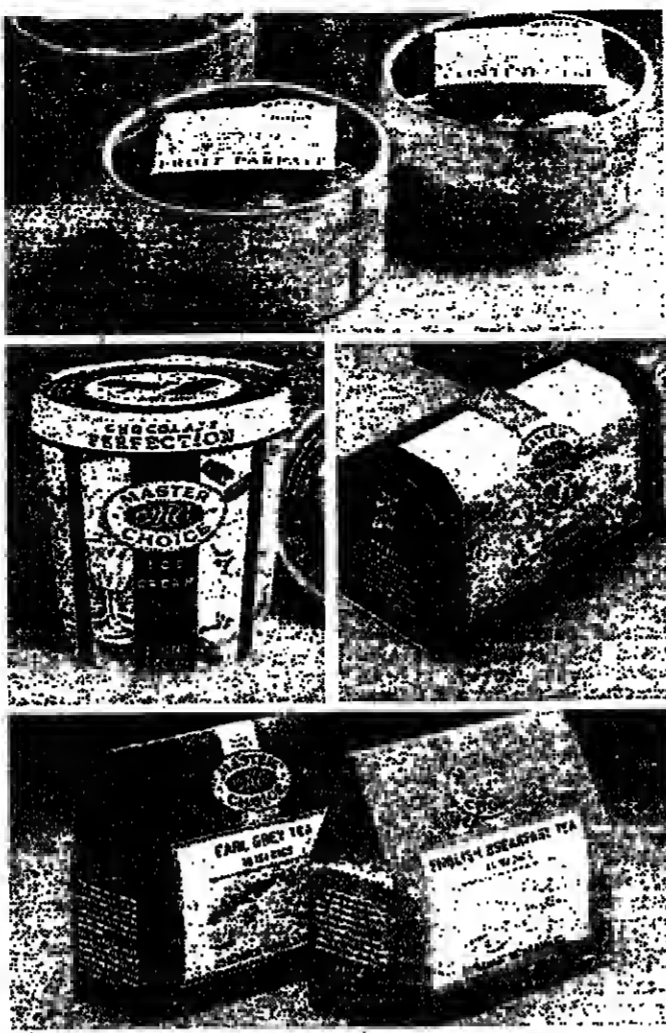
Wood achieved the turnaround by cutting 20,000 jobs, closing a third of A & P's 1,500 stores in cities such as Chicago, Pittsburgh and Kansas City, renegotiating union agreements, and concentrating operations on the Eastern seaboard.

He also closed most of A & P's manufacturing business which had produced more than 500 own-label products. "There was far too much emphasis on private labels which were becoming less and less important," he said. "In short, A & P was not selling what the customer wanted."

ing a premium own-label range to match its new image, and improve its profit margins. A & P, says O'Gorman, believes there is an opening between the mass-market national brands and gourmet products that can be profitably filled with own-label.

"We decided to try to develop a range of products whose quality was noticeably better than the relevant brand, that was immaculately packaged, but which would be priced at about the same level," says O'Gorman.

The idea owes a lot to the success of British retailers in developing own-label products. And to implement it, A & P chose a British design consultancy, Coley Porter Bell (CPB), which had worked on own-label products for Marks & Spencer, Tesco, Safeway and Asda. "A great deal of innovation in own-label development and package design has taken place in the UK in recent years," says O'Gorman.



A & P has resurrected the idea of own label - only this time with a range that has a premium flavour

right quality," says O'Gorman. "That is the first consideration. Only when we have found that do we discuss the price. If it is going to be too high, too far out of line with the national brand which the product is going to compete against, then we would not stock it."

Some of the first Master Choice products to be introduced are being manufactured in England. Cartwright & Butler of Norfolk is making a range of preserves which sell at around \$2.29, marginally higher than US national brands but below the \$4-\$6 for imported "gourmet" preserves.

Advertising grows in Far East

THE RAPID growth of advertising in China is highlighted in a report just circulated by UK stockbroker, James Capel.

The report, entitled The Global Advertising Market-Place, estimates that the advertising market in China grew by 46 per cent in real terms between 1986-87 to \$1.2m. It forecasts 34 per cent growth this year to \$424m, followed by a further 37 per cent increase next year to \$582m.

"On the back of continued buoyancy in the economy, the spread of television ownership in rural areas is enormous," the report says. "It is estimated that there were 67m TV sets in China by the end of 1985 compared with 1m in 1978. There are currently 81.2m TV households, representing 32.6 per cent of the population."

Expansion within the economy has opened the way for a wider range of advertisers to compete for the increased consumer spending. The demand for greater advertising time is leading to a surge in media costs and a lack of print advertising space. Television spots were being sold at a 9-15 per cent premium in the summer, and the price of prime-time radio spots was 25 per cent higher than it was last year.

Detergent market in Spain

Forever blowing bubbles

Peter Bruce reports on Camp's revival strategy

The three most famous faces in Spain all went out of business and a suggestion that Spanish washing powders contained higher than normal amounts of cadmium put paid to West Germany.

The compact, unassuming, 41-year-old Canary Islander is living proof that the Spanish are not going to be easily pushed around by smooth foreigners when the country totally opens its markets to the rest of the European Community in 1992.

Three years ago S.A. Camp, a struggling, family-owned, detergent manufacturer in Barcelona, hired de Luque as its chief executive in a desperate bid to cut its losses and to stay in a market under strong attack from multinationals like Procter & Gamble, Henkel and Unilever.

Camp has been in business since 1934. Colon had practically the entire market to itself for a few years after it was developed in 1963. But as the Spanish economy began to open up, the multinationals poured in and, using sophisticated marketing, including high prices which established their products as luxury brands, began to eat away at Camp's market share.

By 1983 de Luque, who started working life wanting to lecture in organic chemistry, had completed a doctorate in chemistry at Tenerife University, done postdoctoral work under the Nobel Prize winner, Sir Derek Barton, and at Imperial College in London.

"I followed Barton's advice," says de Luque, "which was that if I was to become a good teacher I had to spend two or three years in industry. I must confess I would still really like to teach."

The Spanish economy was beginning to take off, however, and de Luque had little time to experiment: domestic consumption of washing machine detergent in Spain, at 416,000 tonnes in 1987, was double the 1977 figure and no one who has witnessed the wide-eyed frenzy in which modern Spaniards shop could fail to appreciate the value of having a product on a supermarket shelf. But supermarkets like to keep the number of products low. "We were looking for a way to get people's attention very quickly," he remembers.

telling viewers that they should shop around, compare washing powders, and if they found a better one than Colon, buy it.

Camp turnover, which had dipped to Pta 22bn (€106m) in both 1984 and 1985, quickly began to rise, reaching Pta 26bn in 1986, Pta 29bn last year and will touch Pta 31bn this year. The company, which made a net loss of Pta 1.1bn in 1985, is back in profit and has just issued its first commercial paper - Pta 6bn worth through Chase Manhattan.

De Luque believes Camp has probably reached the limits of its market share in Spain. The trick now is to stay there, but the market leaders, particularly the multinationals, play hard with prices. Colon is at present second to Ariel in the Nielsen ratings but that could easily change. "It is simple today to buy two points in Nielsen," says de Luque, "but we can't go higher than 25 per cent in a mature market. Every Nielsen point costs a fortune."

members rger annual workers and... rush

Advertisement for R&T Contractor Developer. Features a large image of a construction site with the text 'HAPPY CHRISTMAS' overlaid. The main headline reads 'Add R&T for a prosperous new year.' Below this, it describes the company's management system and offers a 'bigger and faster return for your money.' The R&T logo is prominently displayed, along with the tagline 'Partners for the future' and contact information: 'Head Office: 18 Savile Row, London W1X 1AE. Tel: (01) 4934937.'

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INTERNATIONAL COMPANIES AND FINANCE

Fruehauf restructures as partial buy-out takes toll

By Roderick Oram in New York

FRUEHAUF, the world's largest maker of truck trailers, is to restructure its debt and operations in the latest round of its two-year struggle to survive the aftermath of a partial leveraged buy-out.

Fruehauf came close to a takeover this autumn by Varty but the Canadian farm equipment maker backed off at the last moment.

Kelsey-Hayes, in contrast, is benefiting from strong sales of anti-lock braking systems, aluminium wheels and electronic sensors.

Daimler's board backs MBB move

By Our Financial Staff

THE SUPERVISORY board of Daimler-Benz yesterday gave the go-ahead for the company to take a stake in Messerschmitt-Boelkow-Blohm (MBB), the West German aerospace group.

Enimont forecasts L1,050bn profit

By Alan Friedman in Milan

ENIMONT, the new Italian joint venture chemicals company that will result from the merger of the state-owned Enichem and the bulk of Montedison's private sector activities, is predicting a 1989 full-year net profit of L1,050bn (\$840m) on revenues of L13,300bn.

Mr Lorenzo Necchi, the Enichem chief who has been named to chair Enimont, and Mr Sergio Cragnotti, an executive of Mr Enil Gardini's Ferruzzi-Montedison group who will become Enimont's managing director in the New Year, yesterday held a gala press conference in Milan to launch the new venture.

equity of Enimont will rise to L5,300bn by the end of 1989. To work off debt, Montedison and Enichem have agreed that for the first three years Enimont will not pay its two partners any dividends and will build up a "fund" of up to L2,000bn, to be ploughed back into the business.

50-50 partnership between its founders but up to 20 per cent of Enimont stock is expected to be placed with outside institutions.

Recovery at Malaysian media group

By Wong Sulong in Kuala Lumpur

NEW STRAITS TIMES, Malaysia's largest newspaper publishing group, has reversed three years of falling profits, to report a 61 per cent increase in pre-tax profits to 43.7m ringgit (US\$16.4m) for the year ended August.

Poseidon to merge with Freeport Australian unit

By Kenneth Gooding, Mining Correspondent

POSEIDON, the cash-rich Australian mining company, is to merge its operations with Freeport McMoRan Australia, owned 82.5 per cent by the New Orleans-based natural resources group.

Sugar refiner doubles income

By Hilary Barnes and Xuefeng Lin in Copenhagen

DE DANSKE Sukkerfabrikker, the Danish sugar refiner, doubled first half earnings and predicted a "substantial" improvement in earnings for the full year.

New chief at Banco di Roma

By Alan Friedman

MR ANTONIO Zurzolo, the respected director-general of IRI, the big Italian state holding group, was yesterday named the new chairman of the Banco di Roma, the smallest and least profitable of IRI's three commercial banks.

Honeywell forecasts \$400m loss for 1988

By Roderick Oram in New York

HONEYWELL, the US manufacturer of electronic controls and military equipment, will report a net loss for 1988 that could exceed \$400m because of substantial write-offs, restructuring charges and additional tax payments.

Leaf moves to protect profits

By Olli Virtanen in Helsinki

LEAF, the confectionery division of Huhtamaki, the Finnish foods, pharmaceuticals and packaging group, has announced a major reorganisation in North America.

Leaf moves to protect profits

By Olli Virtanen in Helsinki

Leaf will also purchase a chewing gum unit based in Amherst, Nova Scotia from Hershey Foods. The deal includes brand names such as Bubble Gum and Carefree chewing gums as well as Bonkers chewy candy.

The company also said that Mr James Renier, president and chief executive, will replace Mr Edson Spenser as chairman.

Primerica Corporation has merged with a wholly-owned subsidiary of Commercial Credit Group, Inc.

The undersigned initiated this transaction and acted as financial advisor to Primerica Corporation.

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December 20, 1988

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has acquired

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Munich, Germany

through

SELVIAC NEDERLAND B.V.

(100% subsidiary of Grand Metropolitan plc)

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Tokyo Pacific Holdings (Seaboard) NY on 19.12.88 Listed on the Amsterdam Stock Exchange

INTL COMPANIES AND FINANCE

Fortune smiles at last on reshaped Union Carbide

James Buchan examines the US group's revival

On the Connecticut coast, a big, low, minimum building that is the headquarters of Union Carbide. It is a spooky place. Corridors that stretch a quarter of a mile are deserted. A cluster of busy offices gives way to rows of closed doors. Some Carbide people complain of cabin fever, of the indistinguishable woods that crowd every window.

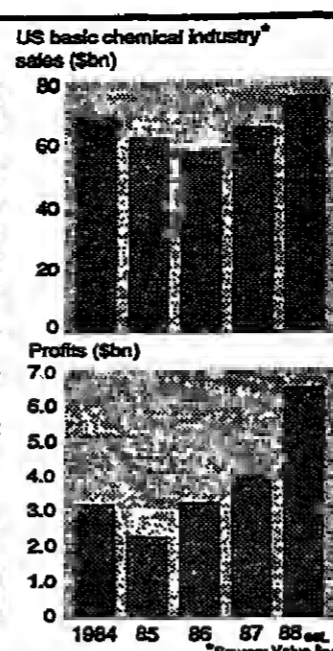
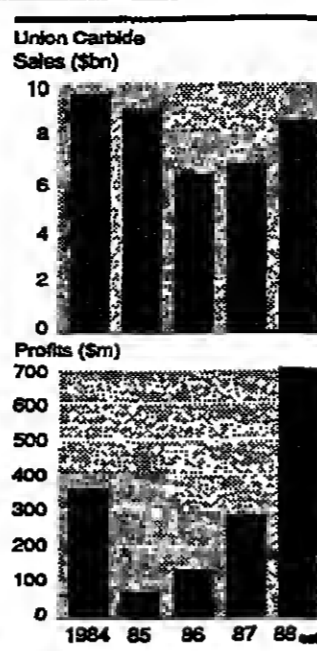
Wall Street, Mr Kennedy says he will spend \$500m to add... 500m lb of ethylene capacity by starting up a mothballed plant in Louisiana next year... 500m lb of polyethylene capacity at a plant in Texas by next year... 1.2bn lb of ethylene oxide capacity over the next few years, and... 1bn lb of capacity for the synthetic rubber polymers known as flexomers and elastomers.

the fact that the favourable chemical cycle has caught up with Carbide... Carbide's supporters say the company had not lost its great tradition of innovation, which goes back to synthetic ethylene and, more recently, the much-lauded Unipol process for making polyethylene, polypropylene and ethylene-propylene rubbers.

Chemical industry

served for 33 years. He speculates about taking Carbide back into products and markets it quit. And he wants to reshape the three main businesses into free-standing worldwide units - with a view possibly to spinning them off to shareholders.

cash, which he financed by taking on debt and selling Carbide's valuable consumer chemicals operations, including such brand names as Prestone antifreeze, Glad plastic bags and Eveready batteries.



Mr Kennedy, the son of a part-time Pittsburgh opera singer, is dogged in the defence of his strategy. He admits that it may not have been the best idea to sell off the consumer products businesses, which were prime customers for Carbide's chemicals.

But he believes that the profit windfall, which he expects to continue into 1989, offers a heaven-sent chance for Carbide to go on the offensive. By the end of next year, he hopes to have restored Carbide's balance sheet at least to the point where its debt is no bigger than its net worth.

But this year, to its own and Wall Street's surprise, Carbide is making money. Real money. It has doubled profits from its cyclical chemicals and plastics business, seen good demand for industrial gases, and brought its troubled carbon products operation into the black.

Mr Kennedy, who took over as chief executive in 1986, now wants to spend these profits to consolidate the company's strong position in ethylene and various derivatives, key raw materials for plastics, anti-freeze and fibres that are currently in strong demand. In a series of announcements that have startled the industry and

Wall Street and the US chemicals industry just cannot decide. On one side are reluctant converts such as Mr Leonard Bogner, a leading industry analyst at the Wall Street firm of Prudential-Bache, who wrote in October "We cannot ignore

To win shareholders away from GAF's offer, Mr Kennedy's predecessor, Mr Warren Anderson, paid them \$4.5bn in

Advertisement for DUSA (Endüstriyel İplik Sanayi ve Ticaret A.Ş.) and E.I. DuPont de Nemours and Company, Inc. Project Financing of \$25,000,000. Provided by International Finance Corporation and Irving Trust Company.

Advertisement for Gulf Canada Resources Limited. U.S. \$375,000,000 Note Issuance Facility. Interest rate of 9 9/16%.

Advertisement for Banca Nazionale dell'Agricoltura S.p.A. ECU 100,000,000 Floating Rate Depositary Receipts due 1993.

Advertisement for World Bond Fund (SICAV). Notice of Annual General Meeting of Shareholders. Agenda includes reports, dividends, and director elections.

Advertisement for TAMOIL ITALIA S.p.A. Medium Term Financing for LIRE 45,000,000,000. Provided by CENTROBANCA and Isveimer.

Advertisement for The Council of Europe Resettlement Fund for National Refugees and Over-Population in Europe. Floating Rate Notes due 1994.

Advertisement for The Council of Europe Resettlement Fund. Floating Rate Notes due 1994. Interest payable on 23rd June, 1989 will amount to ¥256,795 per ¥10,000,000 Note.

Notice of Meeting to all the shareholders in ADT LIMITED

NOTICE IS HEREBY GIVEN that a Special General Meeting of the Company will be held at Cedar House, Cedar Avenue, Hamilton HM 09, Bermuda on January 24 1989 at 10.00 a.m. (local time) for the purpose of considering and, if thought fit, passing the following Resolutions:

- RESOLUTIONS
1. THAT subject to the passing of the Resolutions set out in the Notices dated December 22 1988...
2. THAT subject to the passing of Resolution 1 set out in this Notice and of the Resolutions set out in the Notices dated December 22 1988...
3. THAT subject to the passing of Resolution 1 set out in this Notice...
4. THAT subject to the passing of Resolution 1 set out in this Notice...
5. THAT the amendments to the Company's Executive Share Option Scheme as described in the Circular to shareholders of the Company dated December 22 1988 be approved...

Notice to holders of International Depository Receipts

- for the 8% per cent. Convertible Cumulative Redeemable Preference Shares 2001 of US\$1,000 each
and
the 5% per cent. Convertible Cumulative Redeemable Preference Shares 2002 of US\$1 each
and
the 6 per cent. Convertible Cumulative Redeemable Preference Shares 2002 of US\$1 each

ADT LIMITED

NOTICE IS HEREBY GIVEN that a Special General Meeting of ADT Limited will be held at Cedar House, Cedar Avenue, Hamilton HM 09, Bermuda on January 24 1989 at 10.00 a.m. (local time) for the purpose of considering and, if thought fit, passing the Resolutions set out in the Notice of the said Meeting set out above.

MAGMA COPPER COMPANY

Advertisement for MAGMA COPPER COMPANY. \$503,000,000 Recapitalization. Structured and negotiated the Recapitalization, and our venture banking affiliates, Warburg, Pincus & Co., Inc. E. M. WARBURG, PINCUS & CO., INC.

These securities have been sold outside the United States of America and Japan. This announcement appears as a matter of record only.

NEW ISSUE

21st December, 1988



AB ELECTROLUX

(Incorporated with limited liability under the laws of Sweden)

AUSTRALIAN \$100,000,000
14 3/8 per cent. Notes due 1990

Issue Price 101.15 per cent.

Nomura International Limited

- List of financial institutions including Algemene Bank Nederland N.V., BNP Capital Markets Limited, J. P. Morgan Securities Ltd., SBCI Swiss Bank Corporation, etc.

The Royal Bank of Scotland Group plc

has acquired

Citizens Financial Group, Inc.

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to The Royal Bank of Scotland Group plc.

Kidder, Peabody & Co. Incorporated

European Economic Community \$50,000,000 11 7/8 per cent. Bonds 1991

NOTICE IS HEREBY GIVEN that, pursuant to the terms and conditions of the Bonds, Citibank, N.A. as Principal Paying Agent, has selected by lot for redemption on February 1, 1989 \$10,000,000 principal amount of said Bonds...

Outstanding Notes bearing serial numbers ending in any of the following two digits: 05 14 29 36 37 38 39 40 42 48 51 60 68 77 79 82 83 85 96 99

Payment will be made upon surrender of Bonds together with all coupons maturing after the date fixed for redemption, at the offices of the Paying Agents as shown on the Bonds. Coupons maturing on February 1, 1989 should be detached and presented for payment in the usual manner. On and after February 1, 1989 interest on the Bonds will cease to accrue and undrawn coupons will become void.

Outstanding after February 1, 1989 \$20,000,000. December 22, 1988. By: Citibank, N.A. (CSSI Dept.) London, Principal Paying Agent



Korea Exchange Bank

\$50,000,000 Floating Rate Notes due 1995

In accordance with the provisions of the above Notes, notice is hereby given that for the three months from 19th December 1988 to 20th March 1989, the Notes will carry an interest rate of 15 1/8 per annum.

The interest payable on each \$5,000.00 and \$50,000.00 Note on the relevant interest payment date, 20th March 1989, against Coupon E will be £165.95 and £1,659.50 respectively.

Agent Bank: Lloyds Merchant Bank



INTERNATIONAL CAPITAL MARKETS

IMI Bank sole new issuer with \$250m offering

By Norma Cohen

THE ADVENT of the Christmas holiday period has reduced activity in both primary and secondary bond markets to a mere trickle, with only one new issue to emerge today. IMI Bank International issued a \$250m one-year Eurobond, with a 9 1/2 per cent coupon and priced at 101 1/2 per cent.

IMI Bank International issued a \$250m one-year Eurobond, with a 9 1/2 per cent coupon and priced at 101 1/2 per cent. Lead manager IBI International described the issue as "targetted", meaning it has identified a small pocket of demand for this type of security, likely pre-placing much of it.

IBI declined to discuss the nature of the demand, except to note that the securities provide a reasonable yield of 8 1/2 basis points over the annualised yield of US Treasury bills. Also, the securities are guaranteed by Istituto Mobiliare Italiano, a state-owned finance institution and are treated as sovereign risk.

But dealers said that such securities by now a specialty of some Japanese underwriters, are offered to investors in commercial paper on a swapped basis to yield 1/2 point under six-month London interbank bid rates (Libid). Because many investors in Euro-com-

mercial paper are unwilling to buy maturities of longer than six months, they are offered the opportunity to swap the one-year security for two consecutive six-month issues.

INTERNATIONAL BONDS

Significantly, after IBI launched its issue, a leading market screen service updated its calculation of the 1988 League Table of the top issuers, showing that the Japanese bank had moved into tenth place from 11th place, supplanting Bankers Trust. It is likely to be the only Japanese bank among the top 10 underwriters.

For Japanese banks, even those who have been less successful at underwriting than IBI, establishing a track record in the Euromarkets is essential. Banks are hoping to convince the Ministry of Finance to change the rules barring the underwriting securities in their home markets, and they need to demonstrate their ability to do so abroad.

Separately, Credit Suisse First Boston said that Federal Express would offer \$46m of its five-year Eurobond as a private

placement, replacing a public offering with identical terms that was withdrawn on Tuesday.

In Switzerland, John Deere Credit Company's \$714.5m 10-year five per cent bonds completed their second trading day in the secondary market. In Zurich, the bonds were seen trading at 97 against an issue price of 100%, well outside the 2 1/2 per cent fee to co-managers.

Dealers in the Swiss market said the deal appeared to be tightly priced and suggested it would have sold better with a coupon of 5 1/2 per cent. However, the deal may have suffered from market conditions which saw a steep rise in short term interest rates shortly after the bonds were launched. Also, the bonds are rated BBB+ by Standard and Poor's, a level too low to allow purchase by certain pension funds and investment managers.

However, the attention of most participants was riveted on the various screen services offering competing trivia quizzes and limerick competitions. The limericks, highly charged with black humor, revealed a telling preoccupation with the recent round of losses and layoffs at City firms.

Two more indices for US futures markets

By Deborah Hargreaves in Chicago

THE COMMODITY Futures Trading Commission, the US futures regulatory body, paved the way for two new products to join the already crowded US stock index futures market this week with its approval of two international index futures contracts.

The regulatory agency gave the go ahead for an index created by Morgan Stanley and called the Europe, Australia, Far East (EAFE) stock index to trade on the Chicago Mercantile Exchange, and it approved the International Market Index (IMI) to trade as a futures contract on New York's CME, the coffee, sugar and cocoa exchange.

The two indices are part of a major globalisation drive by US futures exchanges aimed at attracting foreign investors and US money managers with an interest in overseas stocks. The EAFE product is a broad-based, capitalisation-weighted stock index representing the market value, in dollars, of around 1,000 equities in Europe, Australia and the Far East. Japanese stocks currently represent 63 per cent of the index with UK equities occupying a 13 per cent share.

The CME has set no firm date for trading the futures contract, but is looking at launching the product on its Globex electronic trading system that is scheduled to start next quarter. The exchange said its recently-approved Japanese stock index, the Nikkei 225, will also first trade on Globex.

The coffee, sugar and cocoa exchange is planning to trade its international market index in the first quarter of next year. A depositary receipt, it represents a deposit into the index area for the exchange, which has concentrated on soft commodity contracts.

The CSCE is hoping to give the IMI a strong launch and has built a special trading pit on its already crowded trading floor. In an effort to boost liquidity, the exchange will also extend trading hours in the new index for up to a year to members of the other four New York futures exchanges that share its World Trade Centre headquarters.

West Germany introduces stop-loss trade

By Haig Simonian in Frankfurt

INVESTORS on West Germany's eight stock exchanges will be able to use "stop-loss" and "stop-buy" orders on 30 leading domestic equities from next month, marking a further step in the gradual extension of services on German financial markets.

The innovation, which will affect only the 30 German blue chip companies whose shares make up the new DAX real time equity index, follows discussions among the stock exchanges in recent weeks.

Until now, only a limited number of investors have been able to use stop-loss and stop-buy orders, which allow clients to set pre-arranged limits on their equity transactions, on a selective basis on some European financial markets.

However, the use of stop-loss orders will be limited to order sizes of 50 shares or a multiple thereof, putting the practice out of reach for many small retail investors in view of the high prices of most leading German equities.

Eurocard and Visa in accord

By David Barchard

HOLDERS of plastic cards belonging to the Visa International and Eurocard payment systems will be able to withdraw cash freely at European bank branches and cash dispensers of either system by mid-1990, under an agreement reached between the two groups.

Travellers should thus be able to use their credit cards to draw local currency from machines in most parts of Europe. Mr Joao Ribeiro da Fonseca, chief general manager of Visa Europe, said the agreement was a significant step towards a free European retail banking market.

The agreement marks a major step forward in relations between Visa International and the German banks which are the moving force in Eurocard.

Samuel Montagu wins Turkish deal

A TEAM headed by Midland Bank subsidiary Samuel Montagu, together with Turk Ekono Bankasi, has been awarded a consultancy contract to advise on the privatisation of Turkey's petrochemical corporation Petkim, writes Jim

Bodgener. The contract was awarded by Turkey's mass housing and public participation fund and the team also includes UK sub-contractors Price Waterhouse and John Brown Engineering. The actual privatisation of

Petkim is at least 18 months away as it will need restructuring to be saleable. It is one of two candidates chosen to be the first fully fledged state economic enterprises (SEEs) to be privatised - the other is textiles agency Sumerbank.

NEW INTERNATIONAL BOND ISSUES

Table with columns: Issuer, Amount in US Dollars, Coupon %, Price, Maturity, Fees, Book runner. Includes entries for IMI Bank (Int.), Fed. Express Fin. (a)***, etc.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Large table of bond data with columns: Issuer, Amount, Coupon, Price, Maturity, Fees, Book runner, etc. Includes sections for US Dollar, Sterling, Yen, and Convertible Bonds.

INTERNATIONAL CAPITAL MARKETS

Lower Fed Funds rate brings NY rally

By Roderick Oram in New York and Stephen Fidler in London

WITH THE help of a slightly easier Fed funds rate and an encouraging piece of economic news, Wall Street credit market made marginal gains yesterday, most notably at the short end, in this trading.

The Federal Reserve added more reserves to the banking system than expected through \$2.5bn of customer repurchases.

The long end was little changed with the Treasury's 30-year benchmark bond price rising 4 to 100, yielding 8.98 per cent.

BENCHMARK GOVERNMENT BONDS table with columns for Coupon, Bid, Price, Change, Yield, Week, Month

Heron in Pta15bn financing

By Stephen Fidler

HERON International, the privately-owned diversified property, motor services and financial services group run by Mr Gerald Rosson, said it signed a Pta15bn syndicated loan yesterday, making it the first recipient of a large syndicated loan in Europe.

The loan from a syndicate of 10 international banks led by Banco Bilbao Vizcaya, will go towards funding the construction of three office developments in central Madrid at a total cost of \$20m, and additional developments now being considered.

Bulls hold the ring in Japan's bond market

Two factors sustain hopes of an extended recovery, writes Michiyo Nakamoto

Investors in the Japanese bond market, many still licking their wounds from last summer's unexpected rout, are wondering if the market is about to undergo another big speculative rally.

The market has already recovered substantially since the summer, as yields on the former benchmark 100th issue have plunged from 5.490 in September to 4.455 earlier this month. However, many analysts still think there is more to go, mainly because of two factors.



Bond futures trading on the Tokyo stock exchange

market last spring, when a rise in US interest rates and an unexpected strengthening of the US dollar sent bond prices plunging. Investors, who had thought the Japanese bond market was solidly based on a booming economy and more or less immune to outside pressures, watched in horror as the yield on the No 106 benchmark government bond, which hit 4.26 per cent in early April, rose on a long upward climb to a peak of 5.490 per cent on September 1, leading to huge losses by the majority of Japan's securities firms and banks.

With fears about a further increase in US rates quelled for the time being, the yen also began a sharp rise against the dollar.

product figures, up 9.3 per cent on an annualised basis. With the trade and current account surplus rising again, many analysts expect the yen to continue rising. If it does, the Bank of Japan will have to defend the dollar with an easy money policy. Also, inflation pressures will subside.

What is giving the present government bond market its highly speculative character is, however, the likelihood that there will be a very tight market in the new year. The strong growth of the Japanese economy has meant that in the first half of fiscal 1988 the Government was able to realise a natural increase in tax revenues of 5.3 per cent over the same period a year ago, according to a recent report by UBS Phillips and Drew International.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries Share Indices with columns for Index No., Index, % Change, etc.

FIXED INTEREST

Table of Fixed Interest rates with columns for Price Indices, West Dec 21, Day's change, etc.

Cresvale in Tokyo

CRESVALE, a British specialist in equity-linked securities, has been granted a full branch licence to operate an office in Tokyo, writes Norma Cohen.

Danish savings bank told to find a merger partner

THE BANK Inspectorate has told DK Sparekassen, the country's fifth largest savings bank, to find another bank to merge with to provide it with a sounder financial base.

DK Sparekassen was formed in 1987 through the merger of two savings banks from the mid-Jutland town of Horsens - Horsens Savings Bank and Oestjysk (East Jutland) Savings Bank.

The six largest savings banks have jointly guaranteed to provide additional capital for DK Sparekassen if money is needed and the National Bank (Central Bank) has promised to meet the bank's liquidity requirements.

A Jutland commercial bank, Holstebro Bank, was forced this autumn to seek a merger with Jyske Bank after making heavy losses. The banks have in general suffered from an abrupt switch from booming conditions in 1984-85 to a recession in 1987-88.

LONDON MARKET STATISTICS

Table of Rises and Falls Yesterday with columns for British Funds, Corporate Bonds, etc.

LONDON RECENT ISSUES

Table of London Recent Issues with columns for Issue No., Amount, Date, etc.

RIGHTS OFFERS

Table of Rights Offers with columns for New Price, Amount, Date, etc.

TRADITIONAL OPTIONS

Table of Traditional Options with columns for First Dealings, Last Dealings, etc.

LONDON TRADED OPTIONS

Large table of London Traded Options with columns for Option, Calls, Puts, etc.

Admission index 1774.6; 10 am 1776.6; 11 am 1773.6; Noon 1773.9; 1 pm 1772.1; 2 pm 1772.0; 3 pm 1772.5; 4 pm 1772.5; 4.30 pm 1772.5

UK COMPANY NEWS

Pilkington cash offer for W German minorities

By Fiona Thompson

PILKINGTON, glass manufacturer, has made a cash offer for the minority interests in its two publicly quoted German subsidiaries, Flachglas and Dahlbusch Verwaltungen.

The cost of acquiring the minorities will be met from a DM230 million issue of preference shares in the holding company to German institutional investors.

Pilkington GmbH will meet the cost of purchasing the group's existing holdings in Flachglas and Dahlbusch from loans and overdrafts with an initial average interest cost of about 8 per cent.

Textron has 15% voting rights in Avdel

By Nikki Tait

TEXTRON, the large US conglomerate which earlier this week launched a \$125.2m recommended bid for Avdel, yesterday went into the market for the UK fastener group's shares, and is believed to have acquired just under 15 per cent of the voting rights.

According to Seag, about 33m shares were traded. However, allowing for the two-way business and late dealings, it seems that Textron may have acquired something over 18m shares (of various classes).

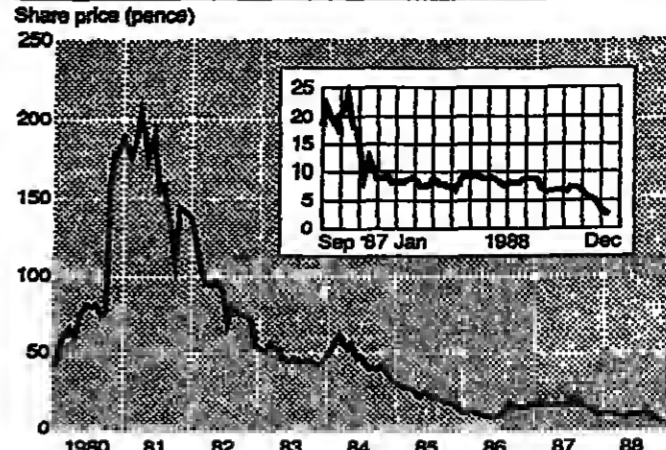
When Textron announced its offer on Tuesday - at 82p a share, it trumped the 86p offer from rival bidder, US-based Banner Industries - it stated that shareholders speaking for about 35 per cent of the voting rights had indicated a preference for the higher offer.

It was not clear what proportion of these shareholders had contributed to yesterday's purchases, but the figure is thought to be relatively small. Banner, meanwhile, announced that it had notified Avdel that, once certain share transfers were registered, it intended to requisition an extraordinary general meeting at which it would propose that Mr Jeffrey Sielner, Banner's chief executive, and two representatives from its Rexnord fasteners division should be appointed to the Avdel board.

Trying to halt a relentless decline Vanessa Houlder on BOM's plan to raise some much-needed cash

AT 9am tomorrow, in London's New Connaught Rooms, a new chapter will be opened in one of the stock market's most bizarre and colourful legends. BOM Holdings, penny stock and perennial looser, is staging an extraordinary general meeting to seek approval from its 23,000 shareholders for a £16.4m rights issue.

BOM Holdings



Share price (pence)

The issue is needed to inject more cash into a company that has over £12m of debts and a drastic shortage of working capital. It will also allow the drilling contractor turned furniture retailer to dabble indirectly in the volatile world of oil exploration.

At first sight, it may be hard to fathom why a multi-millionaire should choose to become involved in a public company hamstrung by debts and lawsuits. The answer lies in the company's 400 acres of land surrounding a disused oil refinery on the Medway in Kent.

Lucas, BOM has also taken on interests in retailing. In September 1987, it bought Albancode, a kitchen unit and leather furniture retailer, for £16.5m in shares.

Investors may also be disquieted by the oil venture which suggests parallels with BOM's ill-fated scramble for oil assets five years ago. On this point, however, Mr Lucas admits no doubts. He cheerfully predicts that Kirkland could be worth £200m within 18 months.

Framlington pays £9.4m for 45% of PBGA

By Nikki Tait

Framlington Group, the fund management concern taken over this year by Throgmorton Trust, UK investment trust, yesterday announced that it was paying \$17m (£9.4m) for a 45 per cent profit participation interest in Pilgrim Barter Greig & Associates, US fund management group.

Framlington has also acquired an option to buy the entire business within three to five years. Yesterday, the UK company said that the purchase price involved would be profits-related, and it expected that the sale multiple would be around 10 times historic earnings.

OT&T further loosens shipping ties by pulling out of Barber Blue Sea

By Ray Bashford in London and Karen Fossell in Oslo

OCEAN TRANSPORT and Trading, international distribution services group, has further loosened its historic ties with the shipping industry by withdrawing from the Barber Blue Sea joint service venture.

The company had a 30 per cent stake in BBS, with the remaining stakes held by Wilhelm Wilhelmson (50 per cent), the Norwegian shipping group, and Transatlantic.

OT&T provided two roll-on, roll-off ships, which have been sold to Scandinavian buyers and will be operated by members of the Wilhelm Wilhelmson group.

Kelt has 77% of Carless

By Nikki Tait

Kelt Energy, the oil independent which has been waging a £206m bid for the larger Carless group, yesterday announced that it had passed the significant 75 per cent control level.

Kelt said that, by Tuesday night, it either owned or had acceptances in respect of 76.85 per cent of Carless's shares. The offer has already been declared unconditional as to acceptances.

Piccadilly and Midlands Radio in £13m merger

By Raymond Snoddy

TWO OF Britain's largest commercial radio stations, Piccadilly Radio in Manchester and Midlands Radio Holdings, operators of the Birmingham and Coventry franchises, are to merge.

The aim is to create a larger company better able to face Government plans for deregulation, including three new national commercial channels and several hundred local and community stations. The deal is the latest in a string of agreed mergers and takeovers within the industry.

Camford shares jump following market raid

By Clay Harris

Shares in Camford Engineering, Stevenage-based motor components group, jumped 19p to 188p yesterday after an attempted market raid by Markheath Securities, UK investment vehicle of Mr John Spalvins, Australian entrepreneur.

THE GATEWAY CORPORATION PLC. NOTICE OF A MEETING of the Holders of the £66,000,000 5% Convertible Bonds Due 2002 of The Gateway Corporation PLC. Notice of Meeting of the holders of 5% Convertible Bonds Due 2002. Extraordinary Resolution. THAT this meeting of the holders of the outstanding 5% Convertible Bonds Due 2002 ("the Bonds") of The Gateway Corporation PLC ("the Company") constituted by a Trust Deed dated 25th June 1987 ("the Trust Deed") between the Company (in its former name of The Doe Corporation PLC) and The Law Debenture Trust Corporation p.l.c. ("the Trustee") as Trustee for holders of the Bonds, hereby approves and sanctions the making by the Company of market purchases (as defined in Section 163 of the Companies Act 1985) of Ordinary Shares of 5 pence each of the Company on terms that:

The Rank Organisation Plc (Registered in England No. 324504) £50,000,000 10% per cent. Bonds due 2008. The Issue Price of the Bonds is 99.935 per cent. of their principal amount, paid as to 50 per cent. on 11th July, 1988 and payable as to 49.935 per cent. on 11th January, 1989. NOTICE OF PAYMENT OF FINAL INSTALLMENT. Holders of the above-mentioned Bonds of The Rank Organisation Plc (the "Company") are reminded that payment of the final instalment of 49.935 per cent. of the principal amount of the Bonds falls due for payment in pounds sterling in same day funds on 11th January, 1989. Accordingly:

UK COMPANY NEWS

Rockware acquires 75% stake in Dartington Glass

By Maggie Urry

ROCKWARE, one of the leading UK glass companies, is buying a 75 per cent stake in Dartington Glass, in its first move into branded goods. Dartington, which was founded by Dartington Hall Trust, an educational charitable trust, 21 years ago, is well known for its ranges of glass tableware such as drinking glasses, decanters, jugs, vases and candlesticks. It dominates the uncut crystal market in the UK. The Trust is retaining a 25 per cent stake.

It needed to be part of a larger group which could devote resources to its expansion. Six years ago the Trust had sold a 50 per cent stake in Dartington Glass to Wedgwood, the china group, but bought it back two years ago when Wedgwood Glass acquired Wedgwood. The purchase price is £2.7m in cash, valuing the whole of Dartington Glass at £3.6m. Last year its turnover was £8.5m and profits before tax and covenant payments to the Trust were £334,000. This year Dartington Glass is expected to make a profit of over £500,000. It has been recovering from a

difficult period following the death of Mr Frank Thrower, its chief designer. Mr Frank Davies, chief executive of Rockware, said he was keen to build strong positions in niche markets as well as having major shares in commodity markets. He said Rockware is backing the trend back to glass as a quality product. Dartington's products are sold mainly through large retailers, although a shop on the premises in South Devon has a good tourist trade. Much of the glass is bought for gifts, but the company is not overly dependent on Christmas.

IMI fluid control side in German expansion

By Richard Tomkins, Midlands Correspondent

IMI, the Birmingham-based industrial group, yesterday reinforced its claim to world leadership of the fluid control market with the acquisition of Lintra Lineartransporter of West Germany for DM25m (£8.75m) in cash.

The privately-owned Stuttgart-based company has a strong position in the world market for pneumatic rodless cylinders. Its two main competitors are Origa and Mecman, both of Sweden. Rodless cylinders offer an important space saving benefit to engineers because the piston inside connects through a sealed slot that runs the length of the cylinder, instead of using a connecting rod that doubles the length of the device when fully extended.

BSG expands in W. Germany

By Fiona Thompson

BSG INTERNATIONAL, Birmingham-based motor distributor, automotive components and consumer products manufacturer, yesterday announced that BSG International GmbH, its wholly-owned West German holding company, has acquired Teutonia, manufacturer of prams and

pushchairs based in Hiddenshausen, West Germany. BSG will pay a total of DM 19.65m (£9.18m) cash for Teutonia, DM 15m on completion in January next year and the balance when audited accounts for the year to December 31 1988 confirm that net assets of Teutonia are not less than DM

3.7m. In addition, BSG will repay vendor loans totalling DM 2.5m over a three year period. Teutonia's adjusted pre-tax profits for the year to 31 December 1987 were DM 2.22m. For the 10 months to October 31 1988, the pre-tax figure was DM 2.8m.

Ashtead £5.79m purchase

By Vanessa Houlder

ASHTHEAD GROUP, the USM-quoted plant hirer, is increasing its geographical coverage with the proposed acquisition of a fellow plant hire company, Reliant, for an initial £5.79m.

England, south east Scotland, South Wales, the West Country and the Home Counties. Reliant has guaranteed minimum pre-tax profits of £1.05m for the 15 months to the end of December 31, representing an exit multiple of 8.4 times. The company has also guaranteed that it will have net assets before provision for tax of £2.5m.

The payment will take the form of 1.89m new shares at 240p per share and loan notes with a nominal value of £1.25m. In addition a further 1.1m new shares raising £2.7m will be issued to cover acquisition expenses and provide additional working capital.

Simon in further paper move

By Clare Pearson

SIMON ENGINEERING, the diversified process plant contractor, has acquired the nucleus of a new paper engineering division yesterday in a £10.5m purchase of Holder Pamac, a specialist in the extension, refurbishment and upgrading of paper mills.

Simon Engineering's aim is to control in a few years' time about 10 per cent of the refurbishment sector of the world paper mill market, which is growing by about 10 per cent per annum. The initial consideration of £7m for Holder Pamac is to be satisfied by the issue of 2.59m new ordinary shares, 1.85m of which will be placed to raise cash of about £4.9m for the vendors. A further payment of £3.5m is deferred for up to four years. In 1987 the group, which

comprises three privately-owned companies, made pre-tax profits of £1.1m on turnover of £13m. Net assets stood at £2.5m. Simon is already involved in the paper industry through a number of its subsidiaries. This is the second acquisition it has announced this month, following its £4.63m cash purchase of an Australian access equipment concern.

Peel attacks London Shop asset growth

By Paul Cheeseright, Property Correspondent

PEEL HOLDINGS yesterday went back on to the offensive in its struggle to take over London Shop for £282m, claiming that London Shop has fallen behind other property investment companies in the growth of its net asset value. It was the latest salvo in what has turned into a ritual but verbal war dance between the two companies in anticipation of London Shop's disclosure of a revised valuation for its property portfolio.

The claims by Peel were clearly aimed at neutralising the claim by London Shop at the weekend that its property portfolio had comfortably outperformed comparable institutional portfolios. Peel switched the basis of comparison by charging that London Shop's growth of net asset value was lower than that of eight other property investment companies even though its portfolio is said to be "London Shop plans no formal response to the latest attack by Peel, but Mr John Bushell, the chairman, said that Peel was now "desperately searching for grounds on which to attack us."

ASD pays £6.75m for Welbeck

By Fiona Thompson

ASD, the third largest steel stockholder in the UK, is to purchase Welbeck International, privately-owned steel importer, processor and stockholder, for £6.75m.

Nat Telecommunications buys £7m mobile phones

National Telecommunications, is moving into mobile communications. The telephone systems group is to pay a total of £7m for Tactico, supplier of mobile radios, cellular telephones. NT is buying out Evered Holdings which holds 84.2 per cent of Tactico and Mr Ian Dalgleish, Tactico managing director, who owns the balance.

The acquisition is to be funded by the issue of nearly 5m new shares together with 700,000 convertible redeemable shares and £1m in loan notes.

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corresponding dividend	Total for year	Total for last year
Arlen	1.1	Mar 29	1	3	3
Batleys	0.5	Apr 6	0.5	2.1	2.4
Electronic Data	1.725	Apr 6	1.45	2.575	2.1
IBM Enterprises	2.25	Feb 15	1.625	2.25	1.625
Stirling Inns	1.1	-	0.5	3.4	3.4
Windsor	nil	-	0.5	nil	0.8

Dividends shown pence per share net except where otherwise stated.

COMPANY NOTICES

GENERAL MOTORS CORPORATION

Further to the DIVIDEND DECLARATION OF 28 November 1988 NOTICE is now given that the following distribution will become payable on and after 15 December 1988 against presentation to the Depository (as below) of Claim Forms listings Bearer Depository Receipts:

GROSS DISTRIBUTION 625 CENTS
LESS 15%
US WITHHOLDING TAX 0.9375 CENTS
5.3125 CENTS PER UNIT
CONVERTED at 1.8465 = 2.87706 PENCE PER UNIT

Barclays Bank PLC
Stock Exchange Services Department
54 Lombard Street, London EC3P 3AH

£500,000,000

ABBAY NATIONAL BUILDING SOCIETY

(Incorporated in England under the Building Societies Act 1974)

Floating Rate Notes due 1991

In accordance with the provisions of the Notes, notice is hereby given that for the three months interest period from December 21, 1988 to March 21, 1989 the Notes will carry an interest rate of 13.08% per annum. The interest payable on the relevant interest payment date, March 21, 1989 will be £322.52 per £10,000 principal amount.

By: The Chase Manhattan Bank, N.A.
London, Agent Bank

December 22, 1988

News Digest

BATLEYS

Expansion costs take their toll

Expansion costs hit Batleys, cash and carry wholesaler, in the half-year to October 29. After interest costs soaring to £597,000, from £152,000, the pre-tax profit fell from £228,000 to £221,000.

Sales in the half-year advanced to £156.5m (£122.11m) and operating profit to £1.05m (£788,000). On earnings of 2.1p (2.56p) per 10p share, the interim dividend is held at 0.5p.

SALE TILNEY

Buying Telsa for £6m cash

Sale Tilney, which has interests in engineering, trading, insurance and financial services, is paying £6m cash for Telsa Engineering, a specialist designer and maker of electromagnets. Funding will come from a medium-term bank loan.

In the year to September 30 Telsa's turnover was £4.56m and pre-tax profit came to £2.1m.

NORTH WEST EXPLORATION

Going for USM quote

In a letter to shareholders, the Duke of Abercorn, chairman of North West Exploration, the group intended to obtain a USM quote and raise funds for further exploration and development of its mineral and petroleum interests.

DRG

\$6m US purchase

DRG has acquired Modern Packaging, of New Jersey, for \$6.7m (£3.14m). Modern is said to be the fifth largest supplier of sterilisable packaging products for the health care industry.

COURTNEY POPE

Acquisition of Quickwood

For an initial \$4.65m in cash, shares and loan stock, Courtney Pope Holdings is buying the Quickwood group.



JOINT ANNOUNCEMENT

ELDERS IXL LIMITED

OFFER FOR ELDERS INVESTMENTS LIMITED

It was announced on 29th November, 1988 that a conditional cash offer would be made by Jardine Fleming Securities Limited, on behalf of a wholly owned subsidiary of Elders IXL Limited ("Elders IXL"), to acquire all the shares of US\$0.05 each ("Shares") in the capital of Elders Investments Limited ("Elders Investments") which Elders IXL and its wholly owned subsidiaries did not then already own, at a price of US\$3.30 per Share ("Share Offer").

It was also announced on 29th November, 1988 that Elders Investments had agreed to put a proposal to holders of bearer warrants issued in denominations of US\$148 and US\$740 entitling the holders to subscribe for Shares at a subscription price (subject to adjustment) of US\$3.70 per Share at any time up to 30th November, 1990 ("Warrants") to cancel all of the outstanding Warrants in consideration of a cash payment of US\$0.20 in respect of each right conferred by the Warrants to subscribe US\$3.70 for one Share ("Warrant Proposal").

The acquiring company will be Atrala Pty. Limited ("Atrala") a wholly owned subsidiary of Elders IXL. A document containing full details of the Share Offer and Warrant Proposal, together with the recommendation of the Independent Board Committee of Elders Investments and Wardley Corporate Finance Limited, will be despatched today to shareholders and warrant holders of Elders Investments. Set out together with this announcement is a notice convening a meeting of Warrant holders to approve the Warrant Proposal.

Hong Kong, 22nd December, 1988

Elders IXL Limited
By Order of the Board

Elders Investments Limited
By Order of the Board

The information in this announcement relating to Elders IXL and its subsidiaries (other than Elders Investments and its subsidiaries) has been supplied by the directors of Elders IXL and Atrala and the information in this announcement relating to Elders Investments and its subsidiaries has been supplied by the directors of Elders Investments. The directors of Elders IXL, Atrala and Elders Investments have taken all reasonable care to ensure that, so far as concerns themselves and the information respectively supplied by them, the facts stated herein are true and accurate and that the opinions expressed by them herein have been arrived at after due and careful consideration and that no material factors have been omitted. The directors of Elders IXL, Atrala and Elders Investments jointly and severally accept responsibility accordingly.

ELDERS INVESTMENTS LIMITED

NOTICE OF WARRANTHOLDERS MEETING

TAKE NOTICE THAT a Meeting of the holders of Bearer Warrants to subscribe for Shares of US\$0.05 each of Elders Investments Limited will take place on 13th January, 1989 at 10:00 a.m. (Hong Kong time) at Rooms 3305-3306, Gloucester Tower, The Landmark, Central, Hong Kong to consider and, if approved, to pass the following Extraordinary Resolution:-

EXTRAORDINARY RESOLUTION

THAT such modifications be and are hereby sanctioned to the instrument constituting the bearer warrants (the "Warrants") to subscribe up to US\$148,000,000 in aggregate for shares of Elders Investments Limited (the "Company") and the conditions of the Warrants, as may be necessary to cancel the subscription rights conferred by the Warrants, in consideration for a payment of US\$0.20 for each US\$3.70 of subscription rights conferred thereby by the Warrant Agents or one of the Co-Warrant Agents listed below to each holder of Warrants against surrender of the certificate(s) therefor, subject to the holders of such Warrant(s) having the right to elect to receive such payment in Australian dollars or Hong Kong dollars on the basis of the average of the buying and selling exchange rates for United States dollars prevailing in Hong Kong at the close of business on the second business day in Hong Kong prior to the date of payment, and otherwise on and subject to the terms and conditions set out in the offer document dated 22nd December, 1988, a copy of which has been initialled for identification purposes by the Chairman of the Meeting ("the Offer Document"), with effect from the close of business in Hong Kong on the date of this Meeting, or such later date as the Share Offer (as defined in the Offer Document) may become or be declared unconditional in all respects.

Notes:

- Warrants may be deposited with (or to the order or under the control of) any Warrant Agent or Co-Warrant Agent (as listed below) for the purposes of obtaining voting certificates or appointing proxies until 10:00 a.m. (Hong Kong time) on 11th January, 1989 but not thereafter.
- Copies of the Offer Document referred to in the above resolution may be collected from the Warrant Agent and Co-Warrant Agents at their addresses stated below.

Warrant Agent
Morgan Guaranty Trust Company
of New York
4, rue de la Regence
B-1000 Brussels
Belgium

Co-Warrant Agents
Central Registration Hong Kong Limited
17th Floor, Hopewell Centre
183 Queen's Road East
Hong Kong

Elders' Trustee and Executor Company Limited
c/o Price Waterhouse
5th Floor
215 Spring Street
Melbourne, Victoria
Australia

ELDERS INVESTMENTS LIMITED
By Order of the Board

22nd December, 1988

COMMODITIES AND AGRICULTURE

Tainted Irish meat sparks inquiries

By Bridget Bloom in London and Tim Dickson in Brussels

THE BRITISH and Irish governments are to launch separate inquiries into reports that contaminated meat destined for processing into hamburgers and other products has been coming regularly into Britain from the Republic of Ireland.

containing animal foetal matter "clearly brought in on boots." The consignments all carried the necessary export certificates and the stamp of Irish health inspectors, Mr Holmes said.

led to a sharp decline in egg sales. To arrest this, Mr MacGregor announced only on Monday a £19m government scheme, which began yesterday to buy in surplus eggs and kill some 4m chickens over the next four weeks.

frontiers. Strictly speaking checks should be made - and health certificates provided - by the exporting country, thereby obviating the need for further controls at the final destination.

Christmas cheer for Israeli growers

By Laura Blumentfeld in Jerusalem

ISRAELI CARGO handlers are working overtime to meet record demand for the country's fresh produce, for delivery before Christmas. Over the past three weeks, 15,000 tonnes of produce has been dispatched, 50 per cent more than in last year's holiday season.

Coffee surges on supply fears

By David Blackwell

COFFEE PRICES rocketed in London yesterday after a dramatic overnight surge in the New York market, spurred by fears of tight supplies.

for the Brazilian crop, as well as delayed harvests in Central American countries. In addition, Brazilian shipments are being disrupted by a port workers' strike.

cents a lb. Yesterday the ICO 15-day indicator was 119.68 cents a lb. However, as Mr Arthur Cherry, coffee analyst with ED & F Man put it yesterday, "you cannot report export stamps. The roasters have been rather too relaxed for too long - they held off believing the price would not recover."

EC farmers face stringent fertiliser curbs

By Tim Dickson

LARGE NUMBERS of European Community farmers will be affected by new proposals to reduce the level of nitrates in water as approved by member states.

nitrate in drinking water of 50mg per litre and requiring treatment when this limit is exceeded. But officials in Brussels say that preventive action to stop a build up is the only satisfactory long term solution.

said yesterday. "This problem is on a Community scale and must be dealt with accordingly." The Commission's proposed directive sets out a framework for action, but puts the onus on individual member states to come up with a specific programme for so-called "vulnerable zones", where the problems of nitrogen pollution are most severe.

equivalent. Member states would decide the appropriate limits for chemical fertilisers, taking into account the rates at which different crops take up nitrogen and the existing level of nitrogen. Rules covering fertilisers and manure would control their use on waterlogged, flooded and frozen ground.

Bulgaria buys NZ goats

By Dai Hayward in Wellington

A flock of 150 pure bred angora goats have been sold to Bulgaria by a New Zealand animal export company.

Metal traders' diminishing role

By Kenneth Gooding, Mining Correspondent

ONLY THE very small and the very large independent metal trading companies are likely to survive as the metal producing groups push further into the trading business.

China is to ban the export of copper, aluminium, nickel, platinum and yellow phosphorus from January 1 because of severe shortages in its domestic market, Renter reports from Peking.

The newspaper Economic Information quoted Lin Salinas, the Materials Minister, as saying that shortages of such materials as cement, bricks and sandstone should ease next year as the austerity programme curbed capital investment and slowed industrial growth.

Crown Commissioners keep control of seabed leases

By James Buxton, Scottish Correspondent

THE UK Government is to keep the system whereby control of the marine fish farming industry is largely in the hands of the Crown Estate Commissioners, who alone have the power to allocate seabed leases to fish farmers.

with conservation groups of the lack of an overall strategy for the development of the industry, while local authorities have called for the development of the industry to be brought into the planning system.

Crown Estate Commissioners issue leases after wide consultation with interested bodies. He said there was little criticism of the handling of particular applications by the Commissioners.

ment should be covered by planning control. An applicant might receive planning permission but still fail to obtain a lease from the Crown Estate.

US MARKETS

IN THE METALS, prices edged higher in quiet trading, reports Dow Jones. Lower dollar prices helped keep the markets firm. Platinum futures posted the largest advance by gaining 8 dollars in the January contract.

COFFEE "C" 37,500cib/cents/bushel. Latest: 157.00, Previous: 156.00, High/Low: 157.00/155.00.

SOYABEAN OIL 60,000 lbs/cents/bushel. Latest: 23.25, Previous: 23.25, High/Low: 23.25/23.25.

WHEAT 5,000 bu min/cents/50 bushel. Latest: 271.00, Previous: 271.00, High/Low: 271.00/271.00.

LONDON MARKETS

Table with columns: Commodity, Close, Previous, High/Low. Includes COPPER, GOLD, SILVER, OIL products, and SOYABEAN MEAL.

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEAN MEAL, SOYABEAN OIL, and WHEAT.

Table with columns: Commodity, Close, Previous, High/Low. Includes POTATOES, LONDON BULLION MARKET, and CRUDE OIL.

Table with columns: Commodity, Close, Previous, High/Low. Includes SOYABEAN MEAL, SOYABEAN OIL, and WHEAT.

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WOOL Australian wool markets remained on a desire tread at the final stages before the Christmas recess. There is talk of revived demand from China and Russia in the second half of the season.

Festive markets await Trade Figures

THE COUNTDOWN to the Christmas holiday began to take effect in the London stock market yesterday. Only the prospect of Friday morning's announcement of the UK November trade figures kept some market makers alert at their posts.

Account Dealing Dates table with columns for month and date.

tion Day in London's Traded Options market, where Gold Fields shares options have been widely traded since well before Minoro first put the company in the takeover arena.

so as to combat inflationary pressures, contrasted with the London market's optimistic reception of latest domestic economic data. Lower bank lending and wage growth statistics have encouraged hopes that the UK Government's high interest rate policy may be beginning to curb consumer spending.

Genuine investment business was hard to find by lunch-time. Much of the trade yesterday reflected shuffling of trading books between market makers who have no intention of being caught with large positions when the UK trade figures hit the London stock market barely a couple of hours before it closes for Christmas.

Street's less positive lead, London saw some interest in such well-seasoned New York favourites as Hanson and Reuters. Retail stocks continued to hold up well as the sector moved into the height of the Christmas selling period.

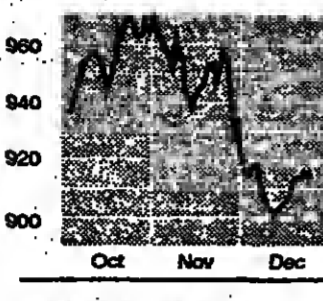
FINANCIAL TIMES STOCK INDICES table with columns for Dec 21, Dec 20, Dec 15, Dec 10, Dec 5, Year Ago, High, Low, and Since Compilation.

S.E. ACTIVITY table with columns for Dec 20 and Dec 19, listing various indices like Gilt Edged Bargaains, Equity Bargaains, etc.

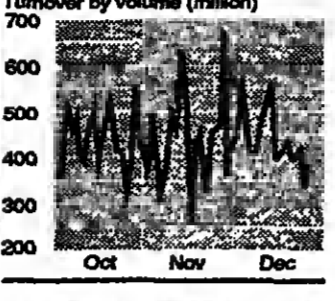
Diverse views on Unigate

Speculation surrounding the future of Unigate shows no signs of abating. The dairy group's shares soared 15 1/2 to 315p as nearly 8m shares changed hands and feverish talk of break-up bids from either Danish or Swiss interests.

FT-A All-Share Index



Equity Shares Traded



Rolls-Royce shares held up, dealers said, because breakdown of the discussions removed the threat of earnings dilution.

shares in the wake of the Enterprise stake sale; the latter managed a minor improvement at 471p. But turnover in both issues was well down on recent levels.

8 at 300p and Mergan Graef 3 at 285p. SG Warburg rose 4 to 275p with Hoare Govett's Mr Rod Barrett suggesting the shares could be one of the 1989's dark horses.

ale for control of Bestwood before the annual meeting next March, the shares are beginning to pick up momentum. They put on a 5 to 50p yesterday, following an order for 100,000 shares late the previous night.

NEI scramble

Disappointment that Rolls-Royce and Northern Engineering Industries have abandoned their attempt to get together near shares by a late bid of 15 1/2 to 11p in shares of NEI, which trading immediately following the news showed 'marketmakers' quotations enabling investors to buy stock from sofa traders at prices below selling prices shown by some competitors.

Plessey resume

Trading in shares of Plessey, the electronics giant currently under siege from a 25p share joint bid from GEC and West Germany's electronics group Siemens, resumed yesterday. The shares were suspended at Plessey's request on Tuesday morning pending the outcome of a High Court case in which Plessey had claimed the GEC/Siemens bid was against the European Commission's rules on bid competition.

Grand Metropolitan fell 3 1/2 more to 420 1/2p after touching as low as 418p at one stage. In the afternoon session, dealers said the stock looked firmer and had probably come off its low point. Sentiment was damaged by news of lower than expected profits at Pillsbury.

Among mixed and lightly traded Shares, W H Smith continued to be well supported, shares of a customer Christmas revival of speculative interest in Storehouse helped the Conran group gain 3 1/2 to 187p as a fraction short of 18m shares changed hands.

their toll on most developers, but once again Rosebank, one of the leading City developers - bore the brunt of the selling pressure, plummeting 30 to 465p.

TRADING VOLUME IN MAJOR STOCKS

Table listing trading volume for various stocks including Shell, British Petroleum, and others.

offer-for-sale of 24.7m shares at 245p each taken up, a discount had been widely forecast. However, after falling to 242p, shares of the contract catering, health care and building services company moved up to end at 246p.

Board posts at NEI

Mr Graham Anderson, executive deputy chairman of NEI retires and becomes a non-executive deputy chairman from January 1. Dr Bob Hawley has been appointed managing director (operations). He is managing director, power engineering group. Mr Peter Lockton joins the main board and becomes managing director, international and projects engineering group.

APPOINTMENTS

January 1. They are chief executives: Mr Ian E.M. Yates, editor-in-chief Mr Colin Webb, finance director Mr Richard Henry, and the managing director of UNS, a wholly-owned subsidiary, Mr Robert Simpson.

NEW HIGHS AND LOWS FOR 1988

- List of companies with their highest and lowest stock prices for 1988, including AMERICAN (G) GATE, CANADIAN (T) and others.

BOND CORPORATION (UK)

has appointed Mr Michael Edwards as its deputy chief executive and a director. He was managing director of The Bell Group International and a director of Bell Resources.

After Tuesday's excitement

prompted by the news that Mr Robert Holmes & Court had acquired a 6.11 per cent stake, shares of customers Christmas International lost 14 on profit-taking to finish at 831p.

Other market statistics

including FT-Actuaries Share Index and London Traded Options, Page 23

Advertisement for EUROPEAN INVESTMENT BANK featuring the logo, the text '5 000 000 000 Portuguese Escudos', and 'First EIB bond issue in Portugal due 1997'. It lists various bank branches like Banco de Fomento Nacional and Banco Espírito Santo.

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FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

AUTHORISED UNIT TRUSTS

Table listing various unit trusts such as Abbey Unit Trust, ACE Unit Trust, and others, with columns for name, price, and other details.

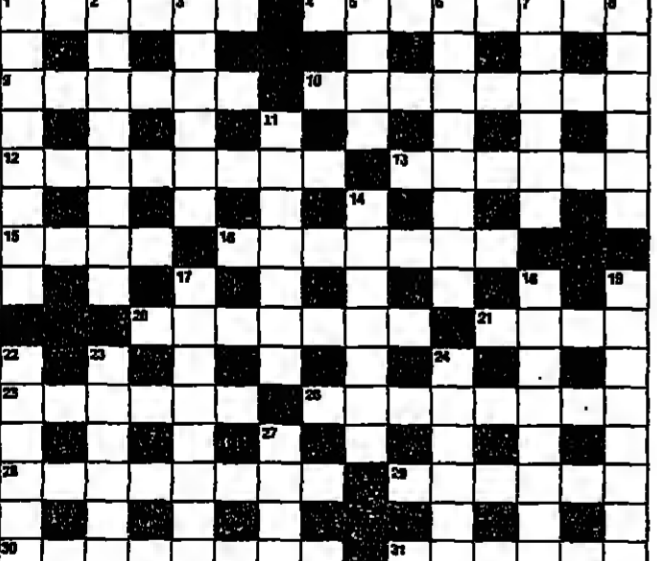
Table listing unit trusts including Canada Life Unit Trust, Fidelity Investment Services Ltd, and others, with columns for name, price, and other details.

Table listing unit trusts including Hamilton General Fund, M & G Securities, and others, with columns for name, price, and other details.

Table listing unit trusts including Royal Life, Royal London, and others, with columns for name, price, and other details.

CROSSWORD

No.6,818 Set by TANTALUS



- ACROSS
1 and 4 Eight chairs at a gathering for writer (6,8)
9 I enter factory that's easily modified (6)
10 Area shut perhaps for orchid display (6)
12 Fall to notice deliveries? (6)
13 Make a fuss of playing (6)
14 Steer to river competition (7)
15 Clever stroke to point (4)
16 Steer to river competition (7)
20 Mistake in the garden? (7)
21 Cleaner in a rich aristocratic family (4)
23 Entice everybody to old city to the east (6)
24 Mistake someone Bill to go to police and specialist (6)
25 Being gullible, allowed songster to appear (6)
26 Buying a round with money in great surprise (6)
27 Antidote converted a ruy by the capital of Assyria (6)
DOWN
1 Come near to a very gentle swimmer (6)
2 It's eaten, cooked, with a liquor (6)
3 Deal with outspoken composer (6)
5 Ambassador goes to jolly island (4)
6 Dividend concern (5)
7 Heard couple are able to find bird (5)
8 Very pleased with another tale by editor (6)
11 He was wise to be alone with Scottsman (7)
14 Extend a term of imprisonment (7)
17 Recital arranged about noon for music maker (6)
19 Forewarn a number going after heart transplant (6)
19 Rules made by Carter going round island (6)
22 Sailor to obtain object (6)
23 Charge exorbitantly for wool (6)
24 The cracked from side to side (Tennyson) (6)
27 Roy accepts article is unprofitable (4)

Solution to Puzzle No.6,817

A grid containing the solutions to the crossword puzzle, with words filled in and empty spaces for other words.

Table listing unit trusts including British American, British Columbia, and others, with columns for name, price, and other details.

Table listing unit trusts including British Columbia, British Columbia, and others, with columns for name, price, and other details.

Table listing unit trusts including British Columbia, British Columbia, and others, with columns for name, price, and other details.

GUIDE TO UNIT TRUST PRICING

DETAILS CHARGES
These represent the marketing, administration and other costs which have to be paid by the purchaser. These charges are shown as a percentage of the net asset value of the unit.

هكمان الفصل

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-225-2128

Main table containing unit trust information, including columns for Unit Name, Unit Price, and other financial details. Includes sub-sections like 'INSURANCES' and 'OTHER UK UNIT TRUSTS'.

OTHER UK UNIT TRUSTS

Table listing other UK unit trusts with columns for Unit Name, Unit Price, and other details.

INSURANCES

Table listing insurance-related unit trusts with columns for Unit Name, Unit Price, and other details.

FT UNIT TRUST INFORMATION SERVICE

Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 01-925-2128

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. The table is organized into multiple columns and rows, listing various investment funds and their performance data.

Handwritten signature or scribble at the bottom center of the page.

مركز التحليل

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service, listing various unit trusts with columns for Name, Price, and Yield.

Table of London Share Service, listing various funds and shares with columns for Name, Price, and Yield.

Vertical text on the left margin, including 'fears', 'g role', and other news snippets.

Vertical text on the right margin, including 'Money Market Trust Funds' and 'Money Market Bank Accounts'.

LONDON SHARE SERVICE

Label Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

AMERICANS - Contd

Table listing American stocks with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like IBM, Microsoft, and General Electric.

CANADIANS

Table listing Canadian stocks with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Alcan, Inco, and Northern Telecom.

BANKS, HP & LEASING

Table listing banks and hire purchase/leasing companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Citicorp and Citicorp Finance.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Heineken and Carlsberg.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Bovis Lend Lease and Bovis Lend Lease.

BUILDING, TIMBER, ROADS Contd

Continuation of Building, Timber, Roads table with columns for Stock, Price, Bid, Offer, and P/E.

CHEMICALS, PLASTICS

Table listing chemical and plastic companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like ICI and Shell Chemicals.

DRAPERY AND STORES

Table listing drapery and stores companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Debenhams and Debenhams.

BUILDING, TIMBER, ROADS

Continuation of Building, Timber, Roads table with columns for Stock, Price, Bid, Offer, and P/E.

ELECTRICALS

Table listing electrical companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like British Telecom and British Telecom.

ENGINEERING

Table listing engineering companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like BAE Systems and BAE Systems.

ENGINEERING

Continuation of Engineering table with columns for Stock, Price, Bid, Offer, and P/E.

ENGINEERING - Contd

Continuation of Engineering - Contd table with columns for Stock, Price, Bid, Offer, and P/E.

FOOD, GROCERIES, ETC

Table listing food, grocery, and other companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Unilever and Unilever.

HOTELS AND CATERERS

Table listing hotels and caterers companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Whitbread and Whitbread.

INDUSTRIALS (Misc.) - Contd

Continuation of Industrials (Misc.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E.

INDUSTRIALS (Misc.) - Contd

Continuation of Industrials (Misc.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E.

INDUSTRIALS (Misc.)

Continuation of Industrials (Misc.) table with columns for Stock, Price, Bid, Offer, and P/E.

INDUSTRIALS (Misc.) - Contd

Continuation of Industrials (Misc.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E.

INDUSTRIALS (Misc.) - Contd

Continuation of Industrials (Misc.) - Contd table with columns for Stock, Price, Bid, Offer, and P/E.

INSURANCES

Table listing insurance companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Prudential and Prudential.

LEISURE

Table listing leisure companies with columns for Stock, Price, Bid, Offer, and P/E. Includes companies like Virgin and Virgin.

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 01-925-2128

LEISURE - Contd

Table of Leisure stocks including Leisure Group, Leisure Properties, and Leisure Investments.

PROPERTY

Table of Property stocks including Property Finance, Property Development, and Property Services.

TEXTILES - Contd

Table of Textiles stocks including Textile Manufacturers, Textile Traders, and Textile Services.

TRUSTS, FINANCE, LAND - Contd

Table of Trusts, Finance, and Land stocks including Trust Companies, Finance Houses, and Land Development.

OIL AND GAS - Contd

Table of Oil and Gas stocks including Oil Producers, Gas Producers, and Oil Refiners.

MINES - Contd

Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

MOTORS, AIRCRAFT TRADES

Table of Motors and Aircraft Trades stocks including Motor Manufacturers and Aircraft Components.

Commercial Vehicles

Table of Commercial Vehicles stocks including Vehicle Manufacturers and Vehicle Components.

Components

Table of Components stocks including Electronic Components and Mechanical Components.

Gears and Distributors

Table of Gears and Distributors stocks including Gear Manufacturers and Distributors.

NEWSPAPERS, PUBLISHERS

Table of Newspapers and Publishers stocks including Newspaper Publishers and Printing Companies.

PAPER, PRINTING, ADVERTISING

Table of Paper, Printing, and Advertising stocks including Paper Manufacturers and Advertising Agencies.

SHOES AND LEATHER

Table of Shoes and Leather stocks including Shoe Manufacturers and Leather Goods.

SOUTH AFRICANS

Table of South African stocks including Mining, Finance, and Industrial companies.

TOBACCO

Table of Tobacco stocks including Tobacco Producers and Tobacco Traders.

TRUSTS, FINANCE, LAND

Table of Trusts, Finance, and Land stocks including Trust Companies, Finance Houses, and Land Development.

Investment Trusts

Table of Investment Trusts stocks including various investment trusts.

Finance, Land, etc

Table of Finance, Land, and other stocks including Finance Houses and Land Development.

Shipping

Table of Shipping stocks including Shipping Lines and Shipping Services.

Textiles

Table of Textiles stocks including Textile Manufacturers, Textile Traders, and Textile Services.

Oil and Gas

Table of Oil and Gas stocks including Oil Producers, Gas Producers, and Oil Refiners.

Mines

Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

Overseas Traders

Table of Overseas Traders stocks including International Traders and Exporters.

Plantations

Table of Plantations stocks including Rubber Producers and Palm Oil Producers.

Mines

Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

Far West Road

Table of Far West Road stocks including various companies.

Diamond and Platinum

Table of Diamond and Platinum stocks including Diamond Producers and Platinum Producers.

Central African

Table of Central African stocks including various companies.

Finance

Table of Finance stocks including Finance Houses and Investment Companies.

Oil and Gas

Table of Oil and Gas stocks including Oil Producers, Gas Producers, and Oil Refiners.

Overseas Traders

Table of Overseas Traders stocks including International Traders and Exporters.

Plantations

Table of Plantations stocks including Rubber Producers and Palm Oil Producers.

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Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

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Table of Overseas Traders stocks including International Traders and Exporters.

Plantations

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Far West Road

Table of Far West Road stocks including various companies.

Diamond and Platinum

Table of Diamond and Platinum stocks including Diamond Producers and Platinum Producers.

Central African

Table of Central African stocks including various companies.

Finance

Table of Finance stocks including Finance Houses and Investment Companies.

Oil and Gas

Table of Oil and Gas stocks including Oil Producers, Gas Producers, and Oil Refiners.

Third Market

Table of Third Market stocks including various companies.

Mines

Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

Far West Road

Table of Far West Road stocks including various companies.

Diamond and Platinum

Table of Diamond and Platinum stocks including Diamond Producers and Platinum Producers.

Central African

Table of Central African stocks including various companies.

Finance

Table of Finance stocks including Finance Houses and Investment Companies.

Oil and Gas

Table of Oil and Gas stocks including Oil Producers, Gas Producers, and Oil Refiners.

Mines

Table of Mines stocks including Metal Producers, Coal Producers, and Mining Services.

Stock Exchange dealing classifications are indicated to the right of security names...

REGIONAL & IRISH STOCKS

Table of Regional and Irish stocks including various companies.

TRADITIONAL OPTIONS

Table of Traditional Options including various options.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar falls as trading thins

AS TRADING became very thin, in the run up to the Christmas holiday and the New Year, the dollar drifted down. In many cases hooks have already been squared off. It was noted that the commercial demand for the dollar seen on Tuesday was virtually non-existent yesterday.

Stop loss selling orders were triggered as the dollar fell back towards \$1.2500 to a low of \$1.2420. That was the end of the day's activity, however. The dollar opened at \$1.2450 in London and remained around that level for most of the day, before declining to \$1.2430 at the close, compared with \$1.2510 on Tuesday.

The dollar also fell to DM1.7696 from DM1.7760, to SF1.4940 from SF1.4980, and to FF6.0450 from FF6.0700. On Bank of England figures, the dollar's exchange rate index fell to 94.2 from 94.5.

In the absence of any market moving news, dealers were left to speculate on what might happen if the US Federal Reserve increases its discount rate. Some sections of the market believe it could be another case of buy on the rumour and sell on the fact, suggesting the dollar will fall. Others said the currency could rise to DM1.75, but at this level would probably meet with selling by the West German Bundesbank.

A tightening of US monetary policy has been illustrated by a higher Federal funds rate of nearly 9 p.c. Expectation that the discount rate will follow has provided the dollar with support, but there were signs yesterday, notably in Tokyo, of growing market impatience at the lack of action by the Fed.

The Tokyo market tended to chase the dollar around, first driving it up to a peak of \$1.2550 and then pushing the currency back down, as the early burst of short covering appeared to have been overdone.

£ IN NEW YORK

Table with columns: Dec-21, Latest, Previous. Rows: 6 spot, 1 month, 3 month, 6 month, 12 month.

STERLING INDEX

Table with columns: Dec-21, Dec-20, Previous. Rows: 8.30 am, 9.00 am, 10.00 am, 11.00 am, Noon, 1.00 pm, 2.00 pm, 3.00 pm, 4.00 pm.

CURRENCY MOVEMENTS

Table with columns: Dec-21, Bank of England, Currency Changes. Rows: Sterling, US Dollar, Canadian Dollar, Australian Dollar, etc.

OTHER CURRENCIES

Table with columns: Dec-21, £, \$, DM, Yen, FF, SFr, HFl, Uru, CS, BFr. Rows: Argentina, Australia, Brazil, Canada, etc.

MONEY MARKETS

Renewed worries

INTEREST RATES turned higher on the London money market yesterday, after less encouraging forecasts about UK inflation and the balance of payments deficit.

EMS EUROPEAN CURRENCY UNIT RATES

Table with columns: Country, Currency, Unit, % change, % change, % change, % change, % change, % change.

POUND SPOT - FORWARD AGAINST THE POUND

Table with columns: Dec-21, Days, Close, One month, Three months, Six months, One year.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Table with columns: Dec-21, Days, Close, One month, Three months, Six months, One year.

EURO CURRENCY INTEREST RATES

Table with columns: Dec-21, Short term, 7 days, One month, Three months, Six months, One year.

EXCHANGE CROSS RATES

Table with columns: Dec-21, £, \$, DM, Yen, FF, SFr, HFl, Uru, CS, BFr.

FINANCIAL FUTURES

Short covering boosts bonds

THERE WAS little movement in prices of interest rate contracts on Life yesterday as, in common with many other markets, trading volumes were thin.

Figures on US personal income and consumption do not usually produce any strong reaction, and the November data were no exception. Personal income was expected to

rise slightly, but it fell, while the rise in spending was within the range of most forecasts. March US Treasury bonds opened at the day's low of 89-08 on Life, but short covering in US markets led to a late rally

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

LONDON (LIFED)

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

CHICAGO

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

JAPANESE YEN (JY)

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

U.S. TREASURY BILLS (U.S. \$)

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

U.S. TREASURY BILLS (U.S. \$)

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U.S. TREASURY BILLS (U.S. \$)

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U.S. TREASURY BILLS (U.S. \$)

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U.S. TREASURY BILLS (U.S. \$)

Table with columns: Dec-21, Dec-20, Previous. Rows: 12 1/2% 1989, 10% 1989, 7 1/2% 1989, etc.

EUROPEAN OPTIONS EXCHANGE

Large table with columns: Series, Feb 89, May 89, Aug 89, Dec 89, Stock. Rows: GBLP, EDE Index C, EDE Index P, etc.

BASE LENDING RATES

Table with columns: Bank, Rate, Bank, Rate, Bank, Rate. Rows: Ash Bank, City Merchants Bank, etc.

BUSINESS LAW

Year of great expectations

By A.H. Hermann, Legal Correspondent. I 1988 did not see any major changes in the rules according to which legal games are played in the UK. It was at least the year when the Government finally admitted that something ought to be done about them.

Public frustration with the unintelligible drafting of statutes - tax lawyers seem to be actually clamouring for more glasnost

Lord Mackay, the Lord Chancellor, got to work with Scottish vigour and there is now some real hope of reform in the organisation of courts which Lord Halsbury, his predecessor, had been at least the year without daring to upset the judges.

FT LONDON INTERBANK FIXING

Table with columns: 6 months US Dollars, 6 months US Dollars, 6 months US Dollars.

MONEY RATES

Table with columns: Dec-21, Overnight, One Month, Three Months, Six Months, One Year.

LONDON MONEY RATES

Table with columns: Dec-21, Overnight, 7 days notice, One Month, Three Months, Six Months, One Year.

EXCHANGE... G RATES... ions

Table with columns for country (Austria, Belgium, Denmark, Finland, France, Germany, Italy, Japan), date (December 21), and stock prices with percentage changes.

Table with columns for country (Netherlands, Norway, South Africa, Sweden, Switzerland, Taiwan, Thailand, UK, USA), date (December 21), and stock prices with percentage changes.

Table with columns for country (Australia), date (December 21), and stock prices with percentage changes.

TORONTO 4pm prices December 21. Table listing various Canadian stocks and their prices.

NEW YORK DOW JONES. Table showing Dow Jones Industrial Average and other market indices.

CANADA. Table listing various Canadian stocks and their prices.

INDICES. Table showing various market indices and their values.

JAPAN. Table listing various Japanese stocks and their prices.

Table listing various international stocks and their prices.

Table listing various international stocks and their prices.

CANADA. Table listing various Canadian stocks and their prices.

NEW YORK ACTIVE STOCKS. Table listing active stocks in New York.

TOKYO - Most Active Stocks. Table listing active stocks in Tokyo.

AMEX COMPOSITE PRICES. Table listing composite prices for various stocks on the AMEX.

Additional text and advertisements at the bottom of the page.

4pm prices December 21

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

High	Low	Stock	Div. Yld.	100 Shares	Low	High	Low	Stock	Div. Yld.	100 Shares	Low	High	Low	Stock	Div. Yld.	100 Shares	Low	High	Low	Stock	Div. Yld.	100 Shares	Low	High
27 1/2	27 1/4	AAR	4.1	127 2/4	24 1/2	24 1/2	24 1/2	27 1/2	4.1	127 2/4	24 1/2	24 1/2	24 1/2	27 1/2	4.1	127 2/4	24 1/2	24 1/2	24 1/2	27 1/2	4.1	127 2/4	24 1/2	24 1/2
28 1/2	28 1/4	ACI	4.7	101 1/4	21 1/4	21 1/4	21 1/4	28 1/2	4.7	101 1/4	21 1/4	21 1/4	21 1/4	28 1/2	4.7	101 1/4	21 1/4	21 1/4	21 1/4	28 1/2	4.7	101 1/4	21 1/4	21 1/4
29 1/2	29 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	29 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	29 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	29 1/2	4.8	102 1/4	21 1/4	21 1/4
30 1/2	30 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	30 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	30 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	30 1/2	4.8	102 1/4	21 1/4	21 1/4
31 1/2	31 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	31 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	31 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	31 1/2	4.8	102 1/4	21 1/4	21 1/4
32 1/2	32 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	32 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	32 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	32 1/2	4.8	102 1/4	21 1/4	21 1/4
33 1/2	33 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	33 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	33 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	33 1/2	4.8	102 1/4	21 1/4	21 1/4
34 1/2	34 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	34 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	34 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	34 1/2	4.8	102 1/4	21 1/4	21 1/4
35 1/2	35 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	35 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	35 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	35 1/2	4.8	102 1/4	21 1/4	21 1/4
36 1/2	36 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	36 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	36 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	36 1/2	4.8	102 1/4	21 1/4	21 1/4
37 1/2	37 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	37 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	37 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	37 1/2	4.8	102 1/4	21 1/4	21 1/4
38 1/2	38 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	38 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	38 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	38 1/2	4.8	102 1/4	21 1/4	21 1/4
39 1/2	39 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	39 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	39 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	39 1/2	4.8	102 1/4	21 1/4	21 1/4
40 1/2	40 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	40 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	40 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	40 1/2	4.8	102 1/4	21 1/4	21 1/4
41 1/2	41 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	41 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	41 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	41 1/2	4.8	102 1/4	21 1/4	21 1/4
42 1/2	42 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	42 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	42 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	42 1/2	4.8	102 1/4	21 1/4	21 1/4
43 1/2	43 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	43 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	43 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	43 1/2	4.8	102 1/4	21 1/4	21 1/4
44 1/2	44 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	44 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	44 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	44 1/2	4.8	102 1/4	21 1/4	21 1/4
45 1/2	45 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	45 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	45 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	45 1/2	4.8	102 1/4	21 1/4	21 1/4
46 1/2	46 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	46 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	46 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	46 1/2	4.8	102 1/4	21 1/4	21 1/4
47 1/2	47 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	47 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	47 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	47 1/2	4.8	102 1/4	21 1/4	21 1/4
48 1/2	48 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	48 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	48 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	48 1/2	4.8	102 1/4	21 1/4	21 1/4
49 1/2	49 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	49 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	49 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	49 1/2	4.8	102 1/4	21 1/4	21 1/4
50 1/2	50 1/4	ACM	4.8	102 1/4	21 1/4	21 1/4	21 1/4	50 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	50 1/2	4.8	102 1/4	21 1/4	21 1/4	21 1/4	50 1/2	4.8	102 1/4	21 1/4	21 1/4

The world's first King Size Filter cigarette

Rothmans KING SIZE

OFTEN FILTERED NEVER EQUALLED

AMERICA

End-of-year enthusiasm fades as Dow dips

Wall Street

A QUIET day on Wall Street saw stocks dipping slightly lower on moderate volume and left market observers wondering whether the year-end rally is dead, writes Karen Zagor in New York.

The Dow Jones Industrial Average closed down 1.43 points at 2,646.4. Volume was moderate with 147m shares traded on the New York Stock Exchange. Declining issues had an edge on advances by 795 to 649.

With the market falling to follow through from its solid gains last Friday and Monday, it looks as though it will drift to the end of the year, analysts said. Today is the last session with bargains settled before the end of the year. Interest is already looking forward to the post-holiday period.

EUROPE

Bourses come off boil in pre-holiday fatigue

MOST European bourses ran out of steam yesterday but Scandinavia continued to outperform, writes Our Markets Staff.

FRANKFURT came off the boil after reaching new 1988 highs on Tuesday, and shares generally ended weaker in sharply reduced turnover. The FAZ index fell 3.54 to 545.51 at mid-session but analysts are not ruling out another push to new peaks before the year ends. The DAX index ended the day 12.01 lower at 1,321.03 and volume was a fairly low DM3bn after Wednesday's DM5.18bn.

The market was weaker from the start, with profit-taking particularly in cars and the "Holy Trinity" stocks Deutsche Bank, Daimler and Siemens. Daimler, off DM6 at DM735, and Siemens, DM5.50 lower at DM531.50.

Daimler showed little movement after hours in response to its supervisory board's approval of the plan to take a stake in MBB. It has been under pressure recently because of uncertainty about the MBB stake and a possible rights issue next year; the share has underperformed the market by 3.5 per cent this year and by 4.8 per cent in the

last month, according to Citicorp Scrimgeour Vickers. Steelmaker Hoesch moved higher against the trend, adding DM2.20 to DM191, an optimistic statement about the boiler after reaching new 1988 highs on Tuesday, and shares generally ended weaker in sharply reduced turnover. The FAZ index fell 3.54 to 545.51 at mid-session but analysts are not ruling out another push to new peaks before the year ends.

The weakened dollar limited gains in the debt market and the Treasury's benchmark long bond was trading at 100 1/8 with a yield of 8.335 per cent, little changed from the previous

day. The Federal Reserve is arranging \$2.5bn in customer repurchase agreements, and Fed Funds traded at 8% at the end of the day. Although the repurchase was higher than expected by some analysts, it is still thought that the new target level for the funds is 8% to 8 1/2% following last week's tightening of monetary policy.

Honeywell, the US electronics group, dropped sharply by 32% to \$77 after Tuesday's announcement that its losses for 1988 could top \$400m because of heavy charges in the fourth quarter. It was Honeywell's third piece of bad news since September and further damaged the company's shaky credibility on Wall Street. As late as June, the company was predicting sizeable year-end profits. However, in the third quarter the company had a pre-tax charge of \$108m, more than double the expected size. Some

analysts are now talking of the possibility of a takeover bid. Fruehauf, the truck-trailer and containers company, registered one of the largest percentage drops of 29.1 per cent with shares off 3% at \$24 after announcing that it would restructure its debt and operations. Salomon Brothers closed at \$24, down 3%, following the news that Moody's Investors Service had placed under review for downgrade the long-term debt rating for the firm. Shares in Shearson, Lehman Hutton traded at \$18 1/2, unchanged from Tuesday, following a similar announcement by Moody's.

Cummins Engines, the world's largest independent manufacturer of diesel engines, leapt \$6 to \$57 on one of the highest volumes yesterday, amid rumours that Daimler-Benz of West Germany might be interested in acquiring the company. A spokesman for

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day. The Federal Reserve is arranging \$2.5bn in customer repurchase agreements, and Fed Funds traded at 8% at the end of the day. Although the repurchase was higher than expected by some analysts, it is still thought that the new target level for the funds is 8% to 8 1/2% following last week's tightening of monetary policy.

Honeywell, the US electronics group, dropped sharply by 32% to \$77 after Tuesday's announcement that its losses for 1988 could top \$400m because of heavy charges in the fourth quarter. It was Honeywell's third piece of bad news since September and further damaged the company's shaky credibility on Wall Street. As late as June, the company was predicting sizeable year-end profits. However, in the third quarter the company had a pre-tax charge of \$108m, more than double the expected size. Some

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Canada

BASE metal issues led a broad-based rally in Toronto and most stocks closed higher. Higher nickel and copper prices boosted mining stocks, while the rising price of gold bullion in New York helped gold issues.

The composite index moved ahead 23.9 to 3,354.9 on active turnover of 34.1m shares.

day's lows, with blue chips leading the way. The CBS all share index fell 0.2 to 104.2 having dipped to 103.9 early on. Royal Dutch fell a further F1 2.50 to F1 229.50 for a two-day drop of F1 3.91 following Tuesday's ruling in the US that the company could not expect insurance companies to cover pollution clean-up costs. Gist-Brocades, the bio-chemical concern, was suspended on downgrading its profits forecast for 1988. MILAN ended off its highs in volume similar to or slightly better than Tuesday's provisional 1,183bn. The Comit index rose 4.67 to 590.49, only 3 points below its 1988 high, on further foreign buying.

Most blue chips were strong, as was telecommunications stock Italcable, which rose L400 to L12,200 on the view that the share swap terms proposed for the restructuring of the Stet group might be reconsidered. The proposal drawn up by independent experts has generally been regarded as unfavourable to Italcable shareholders. STOCKHOLM reached an all-time high for the second consecutive day in brisk trade with a shortage of stock pushing prices up. The Affairs-

overnight fall on Wall Street. Takeover situations also fuelled interest but volume was restricted by a lack of sell-off. The All Ordinaries index rose 17.7 to 1,479.8 on turnover of 114m shares worth A\$245m. National Australia Bank, which goes ex-dividend today, rose 2 cents to A\$6.58 with 5.56m shares changing hands. HONG KONG finished stronger in its trade with interest dampened by pre-holiday languor. Gains made towards the end of the day were prompted by expectations that today's government land auction would attract interest. There was also some confidence that Christmas sales in the US would boost electronic and toy manufacturers. The Hang Seng Index rose 23.12 to 2,650.02 on volume of 43.2 million HK\$24. SINGAPORE saw widespread gains in the hotel sector but the rest of the market was quiet and mixed. The Straits Times industrial index eased 0.34 to 1,044.41. TAIPEI fell sharply again, with the weighted index dropping through 5,000 to close at 4,980.77, a loss of 233.55.

Stockholm wears crown in buoyant Nordic year

Robert Taylor gives a regional view of 1988

THE NORDIC stock markets have enjoyed a relatively glorious year. Last Friday - and again this week - Stockholm crowned its exceptional performance by hitting an all-time high, overtaking its previous best which occurred about two weeks before the October 1987 crash. Throughout this year the Nordic bourses have been some of the most optimistic in the western world, with a rise of 50 per cent in Stockholm and 40 per cent in Copenhagen and 40 per cent in Helsinki. Only Brussels, among European exchanges, has shown a comparable gain.

The bullish attitude in Stockholm is not difficult to understand. The Swedish economy is booming and the level of corporate liquidity among the big blue chips has been exceptionally high, stimulating a wave of profitable mergers and amalgamations. Property and building companies have made substantial advances this year in their market performance and so has the forestry industry, with Sweden's big electrical companies not far behind. Stockholm took most of the year's events in its stride. The September general election result was better for the bourse than many had expected. The political instability that some had feared failed to materialise when the ruling Social Democrats were returned to power with their free market economic policies intact.

Mr Kjell-Olof Feldt, the Finance Minister, may have upset the options market with his so-called purple or turnover tax which comes into force on January 1, but his radical plans for tax reform announced in November caused hardly a frisson and generally met with favourable comment. This month's bullish mood was also helped by the flow of deposits into the mutual funds for tax purposes.

There are underlying worries about the overheating of the economy and next year's wage round, but these factors seem unlikely to cause a dramatic downturn in activity. Mr Brian Knox, Nordic analyst with Kleinwort Benson Securities, points out that next year could see greater pressure on corporate profits caused by a deterioration in Sweden's rel-

active competitiveness in its main export industries. He expects to see "a more ordinary performance" by the bourse during 1989.

However, much could depend on further liberalisation of the Swedish market in the next 12 months and on whether it will become easier for foreigners to invest in Sweden and for Swedes to invest abroad.

The outlook in Helsinki is far less predictable, as the stock exchange rally began to peter out last August. The Finnish economy seems solid enough, with high company profitability, particularly in the forestry sector. Over recent months, however, foreign investors have shown less interest, partly due to concern about the American economy in 1989 but also due to government tax reforms, which involve a higher tax burden on larger companies.

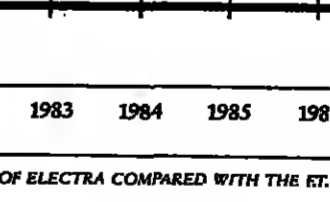
"People are puzzled about the future," said one observer of the Helsinki exchange. Nevertheless, Finland still looks promising in spite of recent stagnation. Helsinki is a third higher than a year ago. In contrast Norway has been in the doldrums for much of the year. It took much longer than the other Nordic exchanges to recover its momentum after the global crash in October 1987. However, it is ending the year surprisingly strongly and with

good prospects for next year. The Norwegian Government's decision a fortnight ago to suspend the 1 per cent equity turnover tax appears to have had a beneficial effect on trading. Moreover, the economy appears to be recovering, with a fall in the rate of inflation, an improvement in the trade balance and lower interest rates.

Although underlying difficulties will not easily be resolved, political uncertainties appear to have lessened. Forecasts suggest there will be no change of power in September's general election which should encourage the Government to take any financial measures necessary to uphold international confidence. In Denmark the extraordinary success of the stock market this year - it reached an all-time high in October - appears to contradict the grim realities of an economy in serious crisis, crippled as it is by the world's highest per capita foreign debt.

The general index in Copenhagen has risen by 40 per cent since the beginning of 1988, with a particularly strong performance by Danish shipping companies. There has been a resurgence of interest by foreign investors and some liberalising measures, such as the removal of controls on private individuals who want to raise loans in foreign currencies. Whether the present Danish performance will continue, however, is another matter. There are fears that foreign bond holders will sell out, as the interest rate gap between West Germany and Denmark narrows, and worries about the apparent overvaluation of the Danish kroner.

However, the overall picture in the Nordic region looks buoyant for next year. The commitment for further liberalisation and deregulation in the money markets in preparation for 1992 should boost activity and provide greater access for foreign investors. Analysts doubt whether Nordic stock markets will repeat their successful 1988 performance, but many of them underestimated what was going to happen this year. For once, optimism may not be unfounded.



FT-A World Indexes £ terms

ASIA PACIFIC

Futures activity helps Nikkei move higher

Tokyo

A SHIFT of emphasis and a spurt of arbitrage activity helped lift share prices in weak volume in spite of dull and directionless trading overall, writes Michiko Nakamoto in Tokyo.

The Nikkei average fluctuated throughout the day, inching up in early trading, only to fall back in mid-afternoon. Arbitraging by futures traders in an effort to lift the cash index before the expiry of December futures contracts on the Singapore International Monetary Exchange was said to have bolstered the index at the end of the morning session and towards the end of the day, helping the index to close up 130.25 at 29,696.19.

In spite of the gain in the index, declines outnumbered gains by 470 to 409. Turnover at 630m shares showed little change on Tuesday's 654m. The Topix index of all listed shares rose 8.67 to 2,289.56. In London trading, the ISE/Nikkei 50 index gained 1.58 to 1,597.55. It was an encouraging performance for this time of year," said Mr Michael Law of

Schroder Securities. Analysts agreed it was no surprise that the market was so quiet, with foreigners more or less absent for the holidays and many Japanese investors positioning themselves for the new year.

The Nikkei has hit 30,000 once this year, although that was due to the rather unexpected arbitrage activity of foreign brokers. "The 30,000 mark is a major goal for this market," said Mr Norio Watanabe of Credit Suisse Investment Advisory Co, "and it is perhaps better to leave it as a kind of wall that will take the market some time to overcome."

The yen's fall against the dollar yesterday, and a sharp overnight rise in oil prices gave investors some cause for concern. While the yen's weakness during the day led to profit-taking in electricals, which had been gaining in earlier trading, the strength of the dollar and the rise in oil prices were not enough to affect large capital issues or utilities. Sony lost Y70 to Y7,070 while NKK, second in volume terms with high-tech shares traded, rose Y35 to Y965. Sanyo Electric, third in volume terms at 27.9m

shares, lost Y7 to Y777 and Nippon Steel finished up Y18 to Y996 in heavy trading. Mitsui Engineering and Shipbuilding topped the most active list with 76.8m shares traded and gained Y22 to Y830, a new high for the issue.

The main impetus behind gains, however, appeared to be technical. The favourites were in sectors that have been popular for much of the year but neglected in recent sessions. Among them were property stocks, shipping issues and non-life insurance companies. The shift from high-technology issues to large capital steels left share prices in Osaka somewhat weaker. The OSE average fell 50.60 to 27,795.63.

Roundup

THE FALL on Wall Street on Tuesday had little impact on Asia Pacific markets where domestic influences dictated the state of play. AUSTRALIA rose sharply as high-tech shares traded, dropping up equities for the third consecutive day in spite of the

overnight fall on Wall Street. Takeover situations also fuelled interest but volume was restricted by a lack of sell-off. The All Ordinaries index rose 17.7 to 1,479.8 on turnover of 114m shares worth A\$245m. National Australia Bank, which goes ex-dividend today, rose 2 cents to A\$6.58 with 5.56m shares changing hands. HONG KONG finished stronger in its trade with interest dampened by pre-holiday languor. Gains made towards the end of the day were prompted by expectations that today's government land auction would attract interest. There was also some confidence that Christmas sales in the US would boost electronic and toy manufacturers. The Hang Seng Index rose 23.12 to 2,650.02 on volume of 43.2 million HK\$24. SINGAPORE saw widespread gains in the hotel sector but the rest of the market was quiet and mixed. The Straits Times industrial index eased 0.34 to 1,044.41. TAIPEI fell sharply again, with the weighted index dropping through 5,000 to close at 4,980.77, a loss of 233.55.

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FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY DECEMBER 21 1988				TUESDAY DECEMBER 20 1988				DOLLAR INDEX		
	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (90)	143.94	+1.5	118.07	112.20	4.78	141.87	116.72	110.73	152.31	91.16	100.76
Austria (18)	129.77	+0.1	79.27	89.03	2.78	96.48	79.28	100.76	83.77	95.84	95.84
Belgium (63)	134.54	+1.1	110.36	123.43	4.10	133.14	109.54	122.63	109.89	99.14	99.14
Canada (125)	123.82	+0.9	101.56	107.64	3.97	122.76	101.00	106.76	129.91	107.06	111.34
Denmark (26)	125.14	+1.5	128.07	145.41	2.09	153.83	126.56	143.68	159.19	111.42	112.55
Finland (26)	129.57	+0.0	108.28	113.28	1.48	129.57	106.60	113.54	159.83	106.78	106.78
France (130)	110.42	+0.7	90.57	104.71	3.10	109.65	90.21	104.40	112.34	72.77	86.79
West Germany (102)	87.29	-0.2	71.81	80.54	2.34	87.77	72.21	81.04	88.26	67.78	77.13
Hong Kong (48)	109.01	+1.0	89.41	109.28	4.15	107.94	88.80	108.18	111.56	84.90	89.85
Ireland (18)	130.00	-0.4	106.63	121.30	4.15	130.45	107.33	122.22	144.25	104.73	104.73
Italy (98)	85.76	+1.3	70.34	83.36	2.43	84.63	69.63	82.67	86.73	62.99	78.55
Japan (456)	186.74	+1.0	139.17	146.79	0.51	184.85	152.08	146.17	190.93	133.61	142.78
Malaysia (36)	141.76	-0.1	116.28	147.63	2.95	141.93	116.77	137.56	154.17	107.83	109.66
Mexico (13)	160.40	+1.9	131.57	400.30	1.28	157.41	129.51	393.25	182.24	90.07	103.00
Netherlands (28)	111.32	-0.3	91.31	101.49	4.86	111.61	91.82	102.13	112.38	95.29	98.92
New Zealand (25)	127.32	+2.2	85.21	96.03	7.05	85.85	94.18	95.68	84.05	63.32	74.14
Norway (25)	136.08	+1.1	113.26	122.90	2.36	133.98	110.23	119.71	138.88	98.52	100.77
Singapore (26)	120.36	+0.1	98.72	107.81	2.52	120.26	98.94	107.93	135.89	97.99	98.45
South Africa (60)	115.58	+0.0	94.80	97.17	4.75	115.52	95.04	96.57	139.07	98.26	133.44
Spain (42)	148.72	+0.8	118.41	128.50	2.17	148.16	118.90	122.22	158.69	120.73	133.10
Sweden (35)	144.97	+0.2	118.91	131.45	2.17	144.83	118.91	131.59	144.97	96.92	98.77
Switzerland (57)	76.56	+0.3	62.79	70.91	2.39	76.29	62.77	70.85	86.75	74.13	82.92
United Kingdom (315)	133.43	+0.1	109.45	109.45	4.91	133.35	109.71	109.71	141.51	120.66	132.61
USA (573)	112.89	+0.0	92.59	112.89	3.66	112.93	92.91	112.93	115.35	99.19	102.93
Europe (1006)	113.16	+0.2	92.82	99.12	3.78	112.88	92.87	99.23	116.61	97.01	104.39
Pacific Basin (879)	181.83	+1.0	149.14	145.74	0.73	179.96	148.06	143.09	185.81	130.81	139.08
Europe-Pacific (1682)	126.40	+0.1	126.40	126.04	1.4	126.12	125.30	125.63	126.12	125.25	125.25
North America (698)	113.46	+0.0	93.07	112.58	3.64	113.46	93.34	112.57	116.07	99.78	103.38
Europe Ex. UK (691)	100.25	+0.4	82.23	92.96	2.93	99.87	82.17	92.97	101.29	80.27	86.89
Pacific Ex. Japan (23)	123.04	+1.2	100.93	105.32	4.72	121.53	99.99	104.20	128.27	87.51	94.42
World Ex. US (1883)	125.27	+0.8	92.59	125.27	1.71	121.69					